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THE TIMES

Katie Stewart's
Christmas
cookery, page 17

Britain wins budget concession at 'fruitful' EEC summit

Mr Callaghan has won a substantial concession over the size of Britain's contribution to the EEC budget from other heads of government at the Community summit. A larger regional fund has been agreed, but direct elections, which were due to be held next year, will probably have to be postponed because of delay by Britain.

Sour note over likely poll delay

From Michael Hornsby
Brussels, Dec 6
A substantial concession to Britain over its contribution to the EEC budget was agreed at the summit meeting of the Nine here today. The heads of government also fixed the size of a larger regional fund and decided to give a "fair wind" to the European Commission's proposals on economic and monetary union. The summit ended today. The only slightly sour note at an otherwise successful meeting was struck over direct elections to the European Parliament. Heads of government reluctantly accepted that polling will almost certainly have to be postponed because of Britain's inability to meet the intended target date of May or June of next year. In a report to the summit, Dr Owen, the Foreign Secretary, who accompanied Mr Callaghan to Brussels, said if the Commons insisted on using the traditional first-past-the-post system for electing members to the European Parliament, Britain might not be ready to take part in direct elections before the spring of 1979. If, on the other hand, the House opted for the regional list voting method, which most observers consider to be out of the question, then it would be difficult, but not impossible, for Britain to be ready by May or June of next year, Dr Owen said. The regional list system would obviate the need to create new Euro-constituencies. Speaking for the rest of the EEC, Mr Leo Tindemans, the Belgian Prime Minister, who was chairman of the summit, said there would be "disappointment" if the timing of direct elections slipped. Mr Roy Jenkins, President of the European Commission, said there would be "great disappointment" if the elections were postponed beyond the autumn of next year. As a result of the budget agreement, Britain's gross contribution is expected to be about £1,180m next year, compared with some £700m in 1977. Although this is a substantial increase, and about £40m more than the Government thought it ought to pay, it is about £200m less than most other member states had demanded. The agreement also means that from next year the EEC's budget can be calculated in a new unit of account based on the current market values of national currencies. The unit used at present is based on pre-1971 dollar parities. As a result, British contributions have been greatly overvalued against those of Germany and most other countries undervalued. The heads of government agreed that the regional fund, which is used to help finance the development of the Community's poorer areas, should be allocated £1,202m over the three years to 1980—£377m in 1978, £403m in 1979 and £422m in 1980. This compares with £542m allocated to the fund between 1975-77. Much of this substantial increase in the fund's resources, however, must be discounted because of inflation. The Commission, backed by the European Parliament, had originally proposed making £488m available to the fund next year, but this was considered far too high by the other members. The fund would still use its limited powers to raise slightly the allocation agreed today. Britain, the biggest beneficiary of the fund after Italy, expects to receive about £30m in 1978, compared with £20m this year. About 2 per cent of the fund's allocation has been provisionally set aside to meet French demands for more development assistance for their overseas departments. Agreement on the regional fund also enabled Herr Schmidt, the West German Chancellor, to approve a Commission proposal for raising loans up to a total of £650m on the international capital markets to finance new job-creating investment in the EEC. The Commission will play a part in choosing the investment projects, but the final say will rest with EEC finance ministers. The heads of government were evidently impressed by Mr Jenkins' argument that no conventional measures were likely to reduce the Community's high level of unemployment or stimulate sluggish economic growth. This appears to explain the favourable hearing given to his proposals on economic and monetary union. There were likely to be nine million more jobs required in the EEC between now and 1985, Mr Jenkins said. In addition, new jobs would have to be found for those made redundant by the unavoidable rationalization of shrinking industrial sectors, such as textiles, shipbuilding and steel. The heads of government agreed to pursue four immediate goals: increased coordination of national economic policies; reinforcement of monetary solidarity; the expansion of the Community's financial resources; and an intensified search for Community solutions to problems. A brief but inconclusive discussion was held on President Giscard d'Estaing's proposal for creating a common "judicial zone" in the EEC, where there would be common rules for the extradition of people charged with terrorist crimes. The concept is to be examined further. Photograph, page 6
Leading article, page 19



Mrs Thatcher, the Opposition leader, listening to a point made by President Tito of Yugoslavia during their two-hour talks in Belgrade yesterday. Report on page 8.

Printers end support for striking journalists

By Christopher Thomas
Labour Reporter
A strike for a closed shop by 105 journalists centred on Derwentham was in disarray last night as printing workers who stopped work in sympathy four months ago decided to return to work next week. Westminster Press can therefore resume publication of several newspapers, and the first big battle for a closed shop by the National Union of Journalists is almost certain to be defeated. About 120 members of the National Graphical Association, the main craft printing union, voted overwhelmingly to end active support. They are deeply disillusioned with the way the NUJ has handled the strike and dismayed at the cost to their union, which has exceeded £100,000. News of the decision reached the NUJ national executive while it was discussing the dispute. Several striking journalists lobbied the meeting to persuade it to extend the strike throughout the Westminster Press group. The executive did, in fact, decide to call on NUJ chapters (office branches) in Westminster Press to strike in sympathy, but the management was adamant last night that it would not concede editorial closed shops. The six-month strike, the union's longest, has also cost the NUJ more than £100,000. The strikers receive £40 a week and will get a £50 Christmas bonus. It is clear that the strikers lost the good will of the printers last week when a peace formula was heavily rejected. NGA leaders also felt that the strikers' refusal to accept the NGA's national council will ratify the decision on Wednesday, and a return to work is expected on Thursday. The strikers' refusal to accept the NGA's national council will ratify the decision on Wednesday, and a return to work is expected on Thursday. The strikers' refusal to accept the NGA's national council will ratify the decision on Wednesday, and a return to work is expected on Thursday.

Miners' leaders set to accept output deal

From Paul Routledge
Labour Editor
Harrogate
Government ministers may look to an unexpected quarter, the miners, for a fillip tomorrow to their pay policy. The executive of the National Union of Mineworkers is about to stand on its head last month's secret ahead ballot that rejected by a small majority a productivity pay formula designed to take the steam out of coalfield wage militancy. After much searching of hearts and fact, not wholly unconnected with loyalty to the Labour Government, the moderate-dominated leadership of the NUM is expected to vote for freedom to negotiate self-financing coalfield productivity schemes where the miners want them. The vote is being privately predicted at 15 to nine for this escape route from militancy over the union's official claim of £135 a week for faceworkers from November 1. That demand has been submitted, and the National Coal Board has told the union that the industry cannot negotiate increased pay before March 1978, because of the TUC's 12-month rule on pay settlements. That rule, endorsed by the TUC General Council once again only two weeks ago, is a union have already settled for 10 per cent and it would be a condemnation of them," he told a firemen's picket at the conference in Harrogate. Business News, page 30

Dr Kaunda abandons Anglo-US initiative

Lusaka, Dec 6.—President Kaunda of Zambia announced today that he is pulling out of the latest Anglo-American peace efforts in Rhodesia, presenting the faltering Western initiative with a further rebuff. "We withdrew from the debate. We will no longer sit around a conference table to discuss the proposals," he said. Dr Kaunda coupled his announcement with a bitter, tearful attack on Dr Owen, the British Foreign Secretary. Dabbling his eyes with a white handkerchief, he told a press conference that no black man could accept Dr Owen's reaction to Rhodesian rule. In Mozambique earlier this month, in which 1,200 nationalists were reported killed. He said Dr Owen's reaction had been: "Yes, I condemn the brutal murders but it also shows Smith is powerful, the white man is powerful." "If there's any Zambian that wants to go with Owen I'll denounce him and deal with him firmly," Dr Kaunda said. Dr Kaunda made it clear he would still participate actively in the Rhodesia issue by supporting the black nationalist guerrillas fighting the white minority regime in Rhodesia. "We will not again make a mistake," he said. Continued on page 9, col 7

Sir Charles Clore to resign

By Our Business News Staff
Sir Charles Clore is to resign as chairman of Sears Holdings at the end of the year so that he can spend more time on his charitable activities. He is to become life president and will remain a director of Sears. Sir Charles, who is aged 73 and has had one of the longest and most profitable careers in business life, is estimated to have given at least £500,000 a year to charities for the past 15 years. He was knighted in 1971 and his successful investment career started at 22, when he bought a skating rink in Cricklewood, north London, which he had visited as a child. Takeover pioneer, page 29
Business News diary, page 31

Further legal action over Crown Agents discounted

By Annabel Ferriman
The Government may appoint Judge Fay, QC, chairman of a public inquiry into the £500,000 payment to the Crown Agents after the vote by the Commons on Monday against a third confidential investigation. Mr Harold Wilson, Minister for Overseas Development, said yesterday that it would be "tempting" to make Judge Fay chairman of such an inquiry because of his knowledge of the affair. He presided over the inquiry whose report last Thursday led to the present controversy. The Government had planned a private inquiry under the chairmanship of Sir Cyril Aarvold. That would have to be reconsidered in the light of the 158-126 vote against it, he said. A public inquiry would be likely to take two years, Sir Charles, who was 70, might not want to undertake it. Mrs Hart refused to comment on the allegations made by Sir Harold Wilson in Parliament on Monday that she had wanted to raise the matter in the Commons in the early 1970s but had been warned that she would fall flat on her parliamentary face. She did say, however, that she had been told at the time that if she raised it in Parliament she would not be protected by parliamentary privilege. She did not think any more legal proceedings, either criminal or civil, would arise out of a public inquiry, nor that any civil servants would be dismissed. Some civil servants were unlikely to achieve promotion again, however. Those MPs to whom the Fay report "came as a blinding light" on Thursday failed to appreciate, in their thirst for blood, how much had been done to bring those responsible to justice, she said. Our Political Editor writes: The Prime Minister will probably uncover the Government's decision to hold a public rather than a private inquiry into the Crown Agents fiasco when he next faces Commons' questions on Thursday. That became clear yesterday after Mr Michael Foot's warning Mr Callaghan during the Prime Minister's absence in Brussels, writhed under the embarrassment of the Commons' overruling of the Government's wishes. Mr Foot said he had not yet been able to consult Mr Callaghan about the defeat; but he promised that the Government would give urgent and as careful attention to Monday's vote. It transpired yesterday that the Government is in a quandary over the form the inquiry should take. The original decision to have a private inquiry was avowedly not an easy one; nor did some ministers now find it easy to reconcile having a tribunal under the 1921 Act with the wish of some MPs to pursue those who might be criminally involved. It is still being argued that it is not possible to have a tribunal and then court proceedings afterwards, although that contention will be challenged. What is clear is that Mr Callaghan cannot come to question time on Thursday and get away without satisfying the House's demand to be obeyed. As matters stood yesterday some ministers seem not to have grasped the defeat the Government had suffered at the hands, however belatedly, of parliamentary reassertiveness. Parliamentary report, page 10
Where does buck stop? page 18
Leading article, page 19

Firemen's leaders strive to intensify action

By Donald MacIntyre
Labour Reporter
The Fire Brigades Union has formally asked other unions to tell any members who work as part-time firemen to cease to provide normal cover during the strike. A letter sent to unions yesterday said that wholesale firemen felt bitter about retained men who continued to work normally, mainly in rural or semi-rural areas. The FBU said last night that the Associated Society of Locomotive Engineers and Firemen and several areas of the National Union of Mineworkers, including South Wales, Nottinghamshire and Yorkshire, had asked part-timers among their members not to work normally during the dispute. At a six-hour meeting, at which the executive had firmly the pursuit of the strike, now in its fourth week, a potentially awkward split was avoided when it did not debate any proposal to meet the employers' side of the national joint council. The local authority employers, who are meeting today, had said that there was a "standing invitation" to the union to meet them if it wished. Consultations behind the scenes between the employers' secretariat and the union had by yesterday produced what Mr Terence Parry, the union's general secretary, described as a mutual understanding that it was not required to take part in today's meeting. Had a formal invitation been issued, strong opposition from some executive members would have been certain, on the grounds that the strike was for an improvement of the immediate 10 per cent pay offer and that discussions with the employers would be irrelevant. Mr Parry said: "It is not a question of snubbing anyone. The meeting is strictly an employers' one, and we have not had to take a decision." He said the firemen would continue to press other unions to support their strike and for their backing on the TUC General Council when the union challenges the finance and general purposes committee. Mr Parry added: "People are as determined now as when they went out on strike and they look like remaining determined." The executive expressed regret the deaths of two fire-fighters in Manchester a road crash in Manchester early yesterday. Mr Thomas Watkins, Chief Fire Officer for Derbyshire, called yesterday for the wages of firemen, police and Armed Services to have seen a return for their not being allowed to strike. Mr Watkins, secretary of the Chief Officers' and Assistant Chief Fire Officers' Association, suggested that the wages of the three groups should be matched to average earnings in the "top six industries", with an additional payment of perhaps 10 per cent. The Derbyshire brigade said the six firemen who resigned since the strike started, but a recruitment advertisement which appeared shortly after the strike began, had brought 20 new applications. The National Association of Fire Officers had voted by a majority of four to one against strike action in support of its own 40 per cent claim. "Green Goddess" inquiry and IRA bomb attack, page 2

Mr Begin cancels meetings after stomach upset

By Robert Parker
Mr Begin, the Israeli Prime Minister, yesterday cancelled all engagements because of a spokesman of the Israeli Embassy described as a stomach upset. Mr Begin, who is 64, suffered a heart attack in March, and has been in hospital three times so far this year. Since his visit to London he has also suffered a foot infection. His doctor confined him to bed at his London hotel in the morning, and in the afternoon to have seen Mr White, law, the Opposition deputy leader, in the absence of Mrs Thatcher. The embassy strongly denied reports made on Israeli radio from London that Mr Begin had "chest pains". A spokesman said: "I have simply no idea where these reports came from. There is no truth in them at all." Mr Begin, who is 64, suffered a heart attack in March, and has been in hospital three times so far this year. Since his visit to London he has also suffered a foot infection. His doctor confined him to bed at his London hotel in the morning, and in the afternoon to have seen Mr White, law, the Opposition deputy leader, in the absence of Mrs Thatcher. The embassy strongly denied reports made on Israeli radio from London that Mr Begin had "chest pains". A spokesman said: "I have simply no idea where these reports came from. There is no truth in them at all." Mr Begin, who is 64, suffered a heart attack in March, and has been in hospital three times so far this year. Since his visit to London he has also suffered a foot infection. His doctor confined him to bed at his London hotel in the morning, and in the afternoon to have seen Mr White, law, the Opposition deputy leader, in the absence of Mrs Thatcher. The embassy strongly denied reports made on Israeli radio from London that Mr Begin had "chest pains". A spokesman said: "I have simply no idea where these reports came from. There is no truth in them at all."

Commons debate dismissed sheriff

The dismissal by the Secretary of State for Scotland of Peter Thomson, Sheriff of Strathclyde, was dismissed in the House of Commons yesterday saying that the decision for the House to decide was in what was misbehaviour rendered him unfit for office. Mr Millan, Secretary of State for Scotland, dismissed Mr Thomson after he had campaigned for a plebiscite on Scottish home rule.

Lords recess

The Lords will rise for the Christmas recess on Thursday, December 15 and will return on Tuesday, January 17.

Bermuda leader angry over Owen claim on hangings

Mr Gibbons, the Bermuda Premier, angered by Dr Owen's statement about the island hangings, said yesterday that the Bermuda Government did not have the authority to stop the executions. Mr Gibbons said that Dr Owen was not obliged to accept the recommendation that there should be no reprieve. A review in the capital has been pushed back until midnight after another fairly quiet night. Page 8

State borrowing down

Total public borrowing in the third quarter of this year was only £970m, suggesting that at the end of the current financial year the public sector borrowing requirement will be substantially below the latest estimate of £7,500m. Page 4

MPs oppose EEC

Labour, Liberal and SNP backbenchers will oppose a European Commission directive that commercial demonstrations of fast-breeder reactors "should continue without interruption". The MPs say the Windscale report should be debated publicly before any decision is taken on building commercial reactors. Page 2

Grunwick's pay

A tribunal is expected to report that pay and conditions at the Grunwick film-processing laboratory do not fall below levels in comparable companies. The finding arises from an inquiry into a case brought by the union involved in the 15-month dispute. Page 11

Jones call for 'talk-ins'

A plea for industrial peace and for fewer strikes was made by Mr Jack Jones, general secretary of the Transport and General Workers' Union, when he delivered the Richard Dimbleby Lecture on BBC 1. He said many strikes could be avoided by more discussion and consultation. Page 4

Mr Vance for Syria

President Assad of Syria has invited Mr Cyrus Vance to Damascus next week during the American Secretary of State's latest Middle East tour. Mr Vance will urge support for President Sadat's peace initiative and thus make the Americans mediators between two Arab governments. Page 8

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HOME NEWS

SNP to join Lib-Lab backbenchers against EEC nuclear directive

By Michael Hatfield

Political Reporter

Labour, Liberal and Scottish nationalist backbenchers are to join forces in the Commons tonight to attack a European Commission directive on nuclear energy, which, they say, flies in the face of feeling expressed in Parliament.

They have tabled an amendment stating that within the United Kingdom there is need for widespread public debate on the report of the Windscale Inquiry before reprocessing policies are determined. It calls for a full public inquiry and parliamentary debate before any decision is taken on the construction of any commercial demonstration fast reactor.

Those who have signed the amendment object to a phrase in one of the directives that states that the demonstration of fast-breeder reactor technologies by industry "should continue without interruption." They also complain that there is an implicit expectation in

another directive that reprocessing should go ahead.

Mr Leo Abse, Labour MP for Pontypool, who tabled the amendment, said last night: "If Britain is hustled by the European Community into an element of reprocessing it will mean we shall be actively participating in the sabotage of the initiative statement by President Carter, who has, to prevent proliferation, pleaded for reprocessing to be halted."

Others who have signed the amendment are Mr Blenkinsop (South Shields), Mr Cook (Edinburgh Central) both Labour; Mr Thompson, Scottish National Party MP for Galloway and Mr D. Penthaligon, Liberal MP for Truro.

Mr Abse said: "The European move flies in the face of the general opinion expressed in the Commons last Friday when all sides were sympathetic to the view that there should be a full debate in the House on the Windscale report before any decision was reached."

Labour left snubs European socialists' manifesto

By Our Political Reporter

Labour European supporters who would like to see the party have a common manifesto to other countries in fighting direct elections to the European Parliament suffered a setback yesterday.

The party's international committee decided to have nothing to do with a draft manifesto drawn up by the European Federation of Socialist Parties.

Left-wing critics described the draft as federalist in tone and said it did not contain any monetary union, both of which were contrary to Labour Party policy.

The committee decided to set up a small working party to draw the party's manifesto. Its members will be Mr

Mikardo, chairman of the committee; Mr Ronald Hayward, general secretary of the party; Miss Jennie Little, international secretary; Mr Alex Kitson, of the Transport and General Workers' Union; Mrs Castle, of the Women's Union; and Mrs Hart, Minister for Overseas Development.

The committee did not have time to discuss complaints arising from Mr Kitson's recent visit to Russia and his praise for the Soviet system of government. The matter will be discussed today.

But the committee took a cautious line over an invitation to discuss the manifesto with the Communist Party for a party to visit Russia. Instead of accepting the invitation the committee decided to set up a working party to consider the draft.

The committee decided to set up a small working party to draw the party's manifesto. Its members will be Mr

Preparing lessons outside school hours 'part of job'

By Diana Geddes

Education Correspondent

Time spent outside school hours in preparing lessons and marking books is an essential part of a teacher's job, the Employment Appeal Tribunal ruled yesterday. The ruling may give thousands of part-time teachers extra protection under the law.

The tribunal allowed an appeal by Mrs Jane Lake, a part-time assistant teacher at Greensward School, Hockley, Essex, against an industrial tribunal ruling that she did not work enough hours to enable her to allege unfair dismissal by her employer, Essex County Council.

Mrs Lake was engaged by the council for a total of 19 hours and 25 minutes at school. That included three hours and 40 minutes of "free time" for marking and preparation of lessons outside the classroom, the council said.

She argued that to teach properly she had to do extra work at home, and that that would bring the total time she normally worked each week to more than 21 hours, the minimum required for protection under the Trade Union and Labour Relations Act, 1974.

Since her case arose last year, the qualifying time for protection under the Act has been cut to 16 hours a week.

"If a teacher found it necessary to spend time outside her on-duty-at-school time in preparation or in marking, essential elements in her job, there must be a contractual obligation on her to do so whether it is written in her contract or not," the tribunal, presided over by Mr Justice Bristow, said in a reserved judgment.

The appeal tribunal has sent the case back to be reheard before a differently constituted industrial tribunal.

Mr Fred Jarvis, general secretary of the National Union of Teachers, which argued the case for Mrs Lake, said: "The NUT has won an unprecedented safeguard for part-time teachers."

Essex County Council is worried lest the judgment should mean that part-time teachers will now claim payment for hours worked outside their contractual hours. It said it would be appealing to the Court of Appeal. Leave to appeal was granted by the Employment Appeal Tribunal. Law Report, page 20

Euro-poll debate may be put back a day

By Fred Emery

Political Editor

The possibility of the Government's moving the next stage of the European elections debate from Tuesday to Wednesday next week was causing puzzlement at Westminster last night.

With Parliament recessing for Christmas on Friday next week there is little enough time to meet the Government's latest pledge to its European partners in Brussels yesterday.

That pledge by Dr Owen, Foreign Secretary, was that the Bill's key clause three, which provides the method of election, whether proportional representation (PR) or traditional, would be put before the Commons by Christmas.

As things have seen left by Mr Foot, Leader of the House, the next day of the Bill before a committee of the whole House is Tuesday. To get to clause three in one day, might require a procedural device to bring it forward "out of time."

That has been suggested by Mrs Thatcher. But there has so far, Conservative suspect say, been no sign of government action. Some MPs suspect that if the Government decided to put matters off by one day it might hope that members would start drifting away by Christmas.

That might help the clause through if enough Labour MPs abstained who otherwise would have voted against.

The passage of PR, or its defeat by a small anti-Labour vote, would place a dissenting Liberal who wish Mr Steel, their leader, to make the issue of the price of maintaining the pact with the Government.

Mr Steel, returned yesterday to blaming the Conservatives.

"It seems incredible to me," he said in remarks prepared for a lunch meeting, "that the party of such European traditions as Churchill's, Macmillan's, Home's and Heath's could faller now, but there is some evidence that they will seek to use their leader's antipathy to any form of proportional representation in any place at any time, except Northern Ireland, and to oppose the only method of getting our delegation elected in time."

Mr Steel denounced Mrs Thatcher's suggestion that new constituencies could be delineated in time. "By-passing all the democratic and independent procedures of the boundary commission."

But discredited Liberals are in charge of organizing what is believed to be the first all-party lobby of MPs on behalf of PR.

In all, 17 organizations are backing the lobby next Tuesday but the emphasis is on the "undecided" Conservatives.

Retiring woman police chief puts case for speedy punishment

Brainwashed parents blamed for crime rise

By Penny Symon

Political Editor

Whenever Chief Supt Mary Wedlake begins to feel pessimistic about the rise in juvenile crime she consoles herself by remembering that "there are a lot of nice kids about, and they are the majority."

Miss Wedlake has had an opportunity to meet many of them. She holds special responsibility within the Metropolitan Police for all matters concerning children and young people. Her Community Relations Branch took on a limited responsibility towards them after the Children and Young Persons Act, 1969, and that was expanded in 1973 to include all matters concerning juveniles, and the missing persons bureau.

A policewoman for 31 years, she retires at the end of the year from the "great big family" as she calls the force. She joined after serving in the Women's Royal Naval Service

during the war and when she was reluctant to return to her former job in the goods division of the railways.

"I was horrified at the thought of spending the rest of my life in the same office and I decided that the police would offer a bit more variety," she says.

During 1976, 34,458 children between 10 and 16 were responsible for 53,701 offences in the metropolitan police district. The figure includes seven killings, 157 serious assaults, 1,280 minor assaults, 1,513 robberies and thefts, 7,536 burglaries, mostly with forcible entry, and 2,783 cases of criminal damage.

Of course I am concerned about the rise in juvenile crime, and the fact that, as the figures show, children's crimes are becoming more and more serious," she says. "But I try to be optimistic."

She believes in punishment and that children who have committed offences need and deserve it. "But I believe that



Miss Wedlake: optimistic over juvenile crime.

while the child is subjected to investigation, assessment and treatment."

Miss Wedlake says she respects social workers and would not want them to lose their idealism, but they must be practical. "There are children who benefit from a more detailed investigation into their backgrounds, but most of them are better off for being punished quickly, before they have forgotten what it is they are being punished for."

Parents, she thinks, deserve a lot of the blame for the rise in crime but she is sceptical about training young people for parenthood while they are still at school.

"That is not the way to make young people good parents," she says. "My father was a good parent and he did not get any training for it. Parents today have been brainwashed into believing that it is wrong to discipline or chastise children. There is a surplus on children's rights, but none on their responsibilities."

'Green Goddess' safety questioned

By John Charles

Political Editor

A Home Office and Army inquiry is to be held into an accident at Newton Heath, Manchester, early yesterday in which two members of the crew of a "Green Goddess" fire appliance were killed when their vehicle overturned.

The inquiry will seek to determine whether speed limits should be imposed on the vehicles, which are said to be prone to overturn when cornering at speed, because of their high centre of gravity.

Old soldiers recall that military vehicles of the chassis type, on which the Green Goddesses were based, were always prone to roll because they were designed for cross-country use with high ground clearance.

An officer's report says that any vehicles of that design, particularly when loaded with up to 400 gallons of water and top hamper, such as ladders mounted in the roof, may catch unawares a young soldier getting on to modern military vehicles with far more up-to-date steering and suspension.

Ranger William Currie, aged 22, who was involved in a Green Goddess crash near Bury, Lancashire, yesterday said: "All the Green Goddesses sway from side to side. When the tank is not full the water splashes around."

Yuxhall Motors, which makes the appliances, said: "Contrary to what some people are saying, they are remarkably stable. Any vehicle can overturn on an icy road."

One of the Green Goddesses, a representative added. More than 73,000 had been built between 1952 and 1970 and they were still being used in roles varying from spraying in Africa to Nato military duty.

The representative said: "Their four-wheel drive gives them a great deal of stability. They can climb over a mass of rubble."

In fact it was learnt yesterday that an appliance from Greater Manchester Fire Brigade had been involved in a similar "rolling" accident only a few days before the firemen's strike began.

The men who died yesterday in Manchester were Ranger Hugh Thompson, aged 26, married with two children, of Little Rissington, near Cheltenham, and Ranger Charles McLoughlin, aged 22, unmarried, of London.

Threats to newspaper journalists and printers manned hoses alongside army fire-fighters yesterday when a Provisional IRA bomb attack threatened the "Green Goddesses" of the Ulster Unionist newspaper, The News Letter, Belfast (Christopher Walker writes from Belfast).

Although the bombs were planted in an adjoining warehouse, officers believe the main target. The newspaper has been consistently critical of the IRA. Last month a Provisional IRA car bomb was left outside the Belfast office of

another daily paper, The Irish Independent.

Flames from the fire leapt 100 ft over the centre of Belfast after the bombs had exploded on two floors of the warehouse. Shops and offices over a wide area were evacuated.

As the flames spread rapidly towards the News Letter building members of the staff joined in the effort to control them. Mr Alan Anderson, managing director, said later: "There is no doubt that if it had not been for the staff the building would have been destroyed."

Girl's body recovered: The body of Barbara Keen, aged 18, was found yesterday in the remains of building in Gaskarth Road, Balham, London. The building had been destroyed by fire on Monday.

Essex fire brigade is to issue summonses against Mr Peter Marshall, owner of the Manor Hotel at Westcliff-on-Sea, where two children died in a fire last week. Mr Francis Harris, senior fire prevention officer, said the summonses allege fire-safety defects.

In Lancashire striking firemen said yesterday that they would never work again under the county's Fire Officer as part of their campaign against "strike breakers".

Fireman Kenneth Kay, aged 23, of Berkshire Fire Brigade, gave up his picket duty for the day yesterday when he went to Buckingham Palace to receive the Queen's Gallantry Medal. He rescued two women from a car that crashed into the Thames a year ago.

Seamen to get more than 10pc

By Our Labour Staff

The Department of Employment has sanctioned pay and productivity deals that will give Merchant Navy seamen and officers total earnings increases well over 10 per cent.

The department has told the General Council of British Shipping that its offers to the four unions representing 46,000 officers and cadets and to 24,000 members of the National Union of Seamen fall within government guidelines.

Mr Booth, Secretary of State for Employment, had warned the council that an earlier offer of 10 per cent and 11 extra days' leave appeared to breach the Government's pay policy.

Under the new agreement the seamen will receive with a £172 weekly supplement, form part of a self-financing productivity deal of which a key provision is a reduction in overtime of an average of three hours a week.

The executive of the NUS accepted the deal, which will take effect from January 2, but under the union's rules must be referred to a ballot of the membership, results of which are expected in the middle of next month.

The officers will receive their phase two payment of 5 per cent together with productivity increases from this month worth from 7.5 per cent for cadets to 15.5 per cent for senior officers.

Disabled to get £10 and chance of new car

By Pat Healy

Social Services Correspondent

The mobility allowance is to be raised to £10 a week next July and disabled people will be able to use the money to lease a new, adapted car from a voluntary organization being set up under the chairmanship of Lord Goodman. Those changes were announced in the Commons last night by Mr Ennals, Secretary of State for Social Services.

The Chancellor promised in his recent economic package that the mobility allowance, which rose by £2 to £7 a week in November, would be raised again next year. Mr Ennals announced that the allowance would be raised to £10 in November, 1979, and thereafter each year in line with prices or earnings, whichever was higher, but not motoring costs. The second fulfilled promise is that ways would be found to maximize the value of the mobility allowance, which has been widely criticized as too low to enable disabled people to buy and run a car.

The new organization, which will be registered as a charity, will be welcomed last night by the disability organizations, which have pressed for more help now that the annual triennial review is being phased out. But details of how the organization, to be called Motability, will operate are not clear.

Mr Jeffrey Sterling, a City businessman who chairs the executive committee of Motability, said he hoped the leasing arrangements would enable a disabled person to assign his mobility allowance for four years in return for a new adapted car.

The aim would be that the disabled person would have to meet only the expenses of petrol and oil, road tax and value-added tax, but that depended on negotiations for special insurance and maintenance terms.

Motability will arrange hire purchases on better terms than are usually available for disabled people and will help the poorest disabled people with their mobility. The clearing banks have agreed to make available £100m on which Mr Sterling described as terms appreciably more favourable than any individual disabled person could obtain.

Motability is expected to help at least 40,000 disabled people. Parliamentary report, page 10

Leading Liberal described as naive do-gooder

Bernard Greaves, a leading Liberal, was described by counsel as a "naive do-gooder" yesterday after Judge Wild was told at Cambridge Crown Court that he invited two homeless thieves share his bedroom when they arrived on his doorstep late at night.

The youths, both aged 17 and with previous criminal convictions, lived in Mr Greaves' Cambridge home and later burgled two schools, it was stated.

Mr Greaves, aged 35, the Liberal Party's national publicity officer and a member of its national executive, was not guilty to two charges of receiving their stolen goods.

Mr Greaves, of John Street, Cambridge, said the youths had nowhere to go and had been sleeping rough. "I have helped young people in various ways since 1965," he said.

They shared his bedroom because the sitting-room got stuffy if slept in because it contained a lot of property.

More details wanted on Polish order

By Hugh Noyes

Parliamentary Correspondent

Conservative leaders yesterday stepped up their campaign in the Commons to force the Government to provide more details about the £115m Polish shipbuilding order that was announced with such a flourish by Mr Callaghan at the Labour Party conference in October.

Growing suspicions that the Government has something to hide over the way the order was won against worldwide competition spurred the Opposi-

tion to demand a statement from Mr Varley, Secretary of State for Industry. Many Tories feel that unacceptably high subsidies tempted the Poles.

Fired by the Commons victory for open government in the Crown Agents debate the night before, Mr Whitehall, the Tory deputy leader, pressed for less secrecy in other dark recesses of Whitehall.

Mr Foot, Leader of the House and Labour's deputy leader, promised to consider a statement and an appropriate time for it, but that did not satisfy the Conservatives.

Prisoner freed to 'save the good face of justice'

Mr J. J. Selwyn, a deputy judge, suggested to counsel in private during a theft trial at Stafford Crown Court that if the defendant did not plead guilty he would be in danger of going to prison. Lord Justice Shaw said in the Court of Appeal yesterday.

Mr Selwyn, it was said, struck a military note when he saw counsel in his private room. But the defendant, Allan George Bird, pleaded not guilty. He was convicted, and was sentenced by Mr Selwyn to 21 months' imprisonment.

Lord Justice Shaw ordered Mr Bird to be freed "in the interests of the preservation of the good face of justice". The 21-month sentence would have been perfectly proper except that the manner in which it was imposed was irregular, he said.

Mr Bird, aged 40, a packer, of Gregory Lane, Loughton, Essex, was convicted on April 25 of stealing about £2,000 from his employers. The Court of Appeal suspended his sentence.

Lord Justice Shaw, sitting with Mr Justice Watkins and Mr Justice Mans-Jones, told Mr Bird that he should consider himself most fortunate.

Weather forecast and recordings

NOON-TODAY Pressure is shown in millibars. FRONTS Warm Cold (Symbols are on following page)

Today

Sun rises: 7.52 am. Sun set: 3.52 pm.

Moon rises: 3.18 am. Moon sets: 2.0 pm.

New moon: December 10.

High water: London Bridge, 10.9 am, 6.4m (20.9ft); 10.52 pm, 6.8m (22.3ft). Avonmouth, 3.27 am, 10.9m (35.6ft); 3.53 pm, 11.4m (37.5ft). Dover, 7.29 am, 6.1m (20.0ft); 8.3 pm, 6.1m (20.0ft). Hull, 2.19 am, 6.4m (20.9ft); 3.10 pm, 6.5m (21.3ft). Liverpool, 7.51 am, 6.2m (20.3ft); 8.13 pm, 6.4m (20.9ft).

Forecast for 6 am to midnight: London, East Angles, Midlands, S Wales: Mainly cloudy, rain at times; wind E, veering S, moderate or fresh; max temp 8°C (46°F).

SE, central S, SW England, Channel: Mainly cloudy, rain at times; wind S, moderate or fresh, perhaps strong on coasts; max temp 9-11°C (48-52°F).

WEATHER REPORTS YESTERDAY MIDDAY: c, cloud; d, drizzle; f, fair; r, rain; s, sun; st, sleet; sn, snow.

Abertillery 17.6°C, Cardiff 14.1°C, Exeter 11.1°C, Glasgow 10.0°C, London 11.1°C, Manchester 10.0°C, Newcastle 11.1°C, Nottingham 11.1°C, Oxford 11.1°C, Plymouth 11.1°C, Reading 11.1°C, Southampton 11.1°C, Swansea 11.1°C, Telford 11.1°C, Wrexham 11.1°C.

Abertillery 17.6°C, Cardiff 14.1°C, Exeter 11.1°C, Glasgow 10.0°C, London 11.1°C, Manchester 10.0°C, Newcastle 11.1°C, Nottingham 11.1°C, Oxford 11.1°C, Plymouth 11.1°C, Reading 11.1°C, Southampton 11.1°C, Swansea 11.1°C, Telford 11.1°C, Wrexham 11.1°C.

Weather forecast and recordings

NOON TODAY

Sea passages: S North Sea: Wind SE, strong or gale; sea very rough.

Strait of Dover: Wind S, strong; sea rough.

English Channel: Wind SW, strong; sea rough.

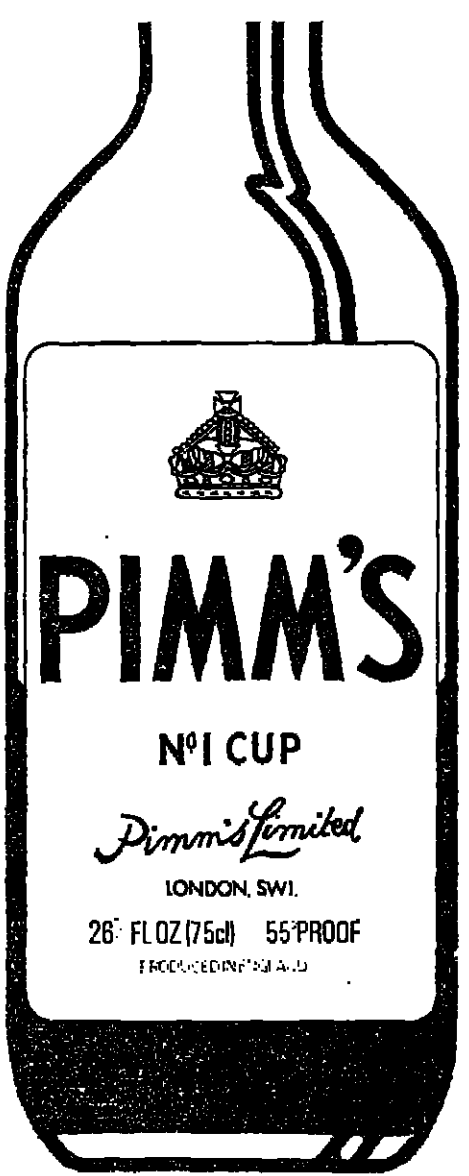
St George's Channel, Irish Sea: Wind SE to E, gale; sea high.

Yesterday

London: Temp: max, 6 am to 6 pm, 5°C (41°F); min, 6 pm to 6 am, 4°C (39°F). Humidity, 6 pm, 96 per cent. Rain, 24hr to 6 pm, 0.5in. Sun, 24hr to 6 pm, nil. Bar, mean sea level, 6 pm, 991.3 millibars, steady, 1,000 millibars = 29.53in.

Overseas sailing prices

Australia, Sep 30/1, 10/1, 10/2, 10/3, 10/4, 10/5, 10/6, 10/7, 10/8, 10/9, 10/10, 10/11, 10/12, 10/13, 10/14, 10/15, 10/16, 10/17, 10/18, 10/19, 10/20, 10/21, 10/22, 10/23, 10/24, 10/25, 10/26, 10/27, 10/28, 10/29, 10/30, 10/31, 11/1, 11/2, 11/3, 11/4, 11/5, 11/6, 11/7, 11/8, 11/9, 11/10, 11/11, 11/12, 11/13, 11/14, 11/15, 11/16, 11/17, 11/18, 11/19, 11/20, 11/21, 11/22, 11/23, 11/24, 11/25, 11/26, 11/27, 11/28, 11/29, 11/30, 12/1, 12/2, 12/3, 12/4, 12/5, 12/6, 12/7, 12/8, 12/9, 12/10, 12/11, 12/12, 12/13, 12/14, 12/15, 12/16, 12/17, 12/18, 12/19, 12/20, 12/21, 12/22, 12/23, 12/24, 12/25, 12/26, 12/27, 12/28, 12/29, 12/30, 12/31.



On the thirst day of Christmas

In brief

Murder man's tongue cut out

Mr James McKenzie, aged 50, suspected by his attackers of being a police informer had his tongue cut out and a knife left in his mouth. It was stated at the Central Criminal Court yesterday.

Andrew Pearson, aged 33, a porter, and Andrew Hemming, aged 26, a labourer, both of Summer Lane, Peckham, London, were both jailed for life for Mr McKenzie's murder.

Sailor seeks asylum

A Chilean sailor, Julio Andrade, aged 29, who jumped ship in Liverpool and is seeking political asylum, is being detained pending inquiries into his father's death. He had been killed and his family threatened.

Top marks for Prince

Describing the Prince of Wales as "the best dressed young man in the world", Mr Graham Lack, chairman of the Tie Manufacturers' Association, said yesterday that he had dispelled the slovenly image of a rundown Britain.

Jail for postman

Leslie Whittle, aged 27, a postman, of Horsham, West Sussex, was jailed for three years for admitting stealing three postal packets and asked for 520 other similar offences to be considered, was jailed at Manchester Crown Court yesterday for two years.

Child killed by bus

Gareth Hampton, aged 15 months, who lived near Corby, Northamptonshire, was crushed to death when he fell under the wheel of a bus at Kettering bus station yesterday.

Seventh school fire

The police, yesterday were investigating the seventh school fire in Northamptonshire, at Croft Primary School, Sutton-in-Ashfield, within three months.

Grunwick wages expected to be found normal

By Robert Parker

Pay and conditions at the Grunwick film processing factory in north London, which has been at the centre of a 15-month industrial dispute, do not fall below pay and conditions in comparable companies.

That is expected to be the finding of a Central Arbitration Committee tribunal to be made public next week. The tribunal, which sat eight weeks ago, examined evidence brought by the Association of Professional, Executive, Clerical and Computer Staff (Apex) the union involved in the dispute.

Mr Roy Grantham, the union's general secretary, alleged that pay and conditions fell far below those of comparable companies. But the tribunal has found that his case does not stand in relation to pay and conditions at Grunwick this year.

When told of the expected result last night, a representative of the Grunwick strikers said: "This does not surprise us. Grunwick has increased its pay dramatically since the dispute began. Its rates are now broadly comparable to those of other companies in what is a low-pay industry."

The company says its pay has always been comparable to if not better than, that at similar companies, and has denied that it achieved comparable status only as the result of recent large increases.

Union warning on Front activity

The General and Municipal Workers' Union threatened yesterday to dismiss any official who uses his position in the union to promote the racist policies of the National Front.

The executive council unanimously adopted a statement opposing attempts by the National Front and other racist groups to infiltrate trade unions.





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 FORD CORTINA 1000L OR SIMILAR	DAILY PER MILE £5.85 (6p) UNLIMITED WEEKLY £63.05	£6.25 (6½p)	£6.25 (6½p)	£7.00 (8p)
 FORD CORTINA ESTATE 1000L OR SIMILAR	DAILY PER MILE £6.75 (7p) UNLIMITED WEEKLY £72.80	£8.50 (8½p)	£8.25 (8½p)	(GL model) £11.00 (11p)
 FORD GRANADA 1000L OR SIMILAR	DAILY PER MILE £9.75 (10p) UNLIMITED WEEKLY £109.85	£13.00 (12½p)	£12.50 (13p)	(This model) £19.00 (19p)
		N/A	£141.75	Not shown

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HOME NEWS

Public funding urged for London's three main music colleges

By Kenneth Gosling
Arts Reporter

A committee set up four years ago to consider the training of professional musicians has proposed that the three main colleges of music in London should become part of the public sector, being sustained by local authorities or by the colleges of London University.

The three are the Royal Academy of Music, the Royal College of Music and Trinity College of Music.

Explaining its reasons, the report, commissioned by Calouste Gulbenkian Foundation, says "it is unsatisfactory in principle that the form of state subsidy provided to the most eminent music colleges in the country should be one of a guarantee against loss rather than a positive programme for the development of musical training and education."

"Instrumental music has been unduly kept out of the mainstream of higher education to its disadvantage. Now that the taxpayer is making a direct subsidy to these colleges as well as giving the indirect subsidy that is obtained from student grants and fees, then it is surely right that instrumental musical training in London should take its full place in higher education, as in Scotland, Wales and the rest of England."

This recommendation is one of 29, directed according to the committee's chairman, Lord Valzey, to more effective expenditure, with more money going to a few schools and colleges and services made by reducing the number of students at colleges of education.

"We want to make the training of professional musicians more effective and more helpful to musicians themselves and to their audiences," he says. The number of people in posts requiring musical training was more than 36,000 in 1975, the last year quoted by the committee.

Music colleges should concentrate mainly on the training of intending performers and instrumental teachers, the report says, rather than on those intending to become class music teachers or merely seeking a higher education in music.

It recommends a reduction in the number of students entering music colleges, which should offer four-year first-degree courses carrying mandatory student grants or merely playing should get a higher priority, and the ratio of teachers to students should be increased.

Fees for part-time teachers in the London colleges, which are notoriously low, should be linked to full-time salaries for comparable posts elsewhere in higher education.

The committee shares the concern of principals of the London colleges over the low salaries of professors in their colleges and recommends large increases.

Referring to the school-age musician, the report expresses concern at the wide disparities in spending among local education authorities in different parts of the country. It says they should be prepared to support gifted children at specialist music schools.

The report also notes the needs of the young composer and suggests that the Arts Council should consider giving more funds for the preparation and playing of new music as soon as the composers emerge from full-time study.

Similarly, funds should be provided to enable the opera houses to maintain one or two young conductors in addition to their normal establishment.

Training Musicians (Calouste Gulbenkian Foundation, 36 Bedford Place, London W1N 4BT, £1.50).

Minister gives backing to neighbourhood councils

By Christopher Warman
Local Government Correspondent

Neighbourhood councils could help to prevent the inner-urban difficulties which the main cities were experiencing, Mr. Freeson, Minister for Housing and Construction, said in London yesterday.

Many of the issues emerging had arisen from the separation of government and local government departments and from their failure to identify with local communities. "We can overcome this by establishing neighbourhood councils to reinforce the democratic principle at grass-roots level."

Mr. Freeson was launching a handbook explaining how to set up neighbourhood councils and how they can influence decision-making at local level. It was produced by Mr. R. M. Knowles, past chairman of the Association of Metropolitan Authorities' general services committee.

Mr. Freeson said much of the present disillusionment with politics came from resentment at the way important decisions were taken by remote national and local governments. People could not identify with those bodies and felt powerless to influence decisions. Neighbourhood councils, the equivalent of parish councils in an urban setting, could help to rectify the situation.

In a foreword to the handbook Mr. Shore, Secretary of State for the Environment, emphasised the need for neighbourhood councils to establish good working arrangements with local authorities. "Neighbourhood councils are a form of grass-roots democratic representation at a true local level. It is essential that they are complementary to and not rivals with democratic local authorities."

There are about 50 neighbourhood councils in England at present, some of which receive grants from local authorities, but most of the money needed to run them is raised within the community itself. The handbook describes a neighbourhood council, which should ideally be an identifiable community of between 5,000 and 10,000 people as its "eyes and ears". It differs from other local organizations because it represents all the people in one neighbourhood, not a sectional interest.

A Voice for Your Neighbourhood (Stationery Office, 50p).

Women who defied court order fined £150

From Our Correspondent
Edinburgh

Sheriff Nigel Thomson fined eight women from Dunblane Street, Edinburgh, £150 each for continuing to use a house for prostitution in defiance of a court order.

He told Isabel Duncan, Audrey Graham, Hazel Wiliams, Sharon Townsend, Jean Thomson, Patricia Taylor and Anne Schofield that they could be fined up to £1,000 each.

Earlier he had told Mr. Roger Ascham, solicitor for the defence, that the women normally related capacity to pay. He added: "All I know about these ladies capacity to pay is that the charge for sexual intercourse is £10 minimum a time. I have heard of 25 calls at the house over a period of five hours but I do not know how many girls were there. What overheard there may be in working out a net figure is a matter of speculation and there is nothing definitely known about any profits."

Mr. Ascham said the women had assured him that because of the court proceedings they had little income.

Mr. Vincent Belmonte, solicitor for Mrs. Violet Eager, a sister of the late Mrs. Dora Noyce, who ran the house as a brothel for 40 years until her death in July, asked if the sheriff dealt with the women severely. A custodial sentence might be appropriate.

Mrs. Eager had been granted an interim interdict to stop the house being used for the purposes of habitual prostitution. Mr. Belmonte said he had received further affidavits from neighbours alleging further breaches of the court order.

Ban on Icelandic boats may end

Talks that could lead to a lifting of the ban on Icelandic fish landings at British ports began yesterday near Selby, North Yorkshire.

Pressure on the British and Grimsby "bobbies" to accept Icelandic boats is increasing as catches from elsewhere diminish.

Unity plea by Tory to defeated challengers

Fresh from her victory over the leaders of her constituency party who tried to oust her as prospective Conservative parliamentary candidate for Huddersfield, East, Mrs. Marguerite Wood appealed yesterday for unity.

She asked Mr. Lionel Wood, chairman of the constituency association, to withdraw his resignation. She also urged other executive members who said on Monday night that they were resigning to reconsider their positions.

Mrs. Wood and Mr. Wood have disagreed for some months about the duties of a prospective candidate. In September Mr. Wood wrote to her saying that the executive committee was concerned about her apparent lack of activity and a month ago it voted to ask for her resignation.

The executive said she then resigned orally but Mrs. Wood denied doing so. When it was announced that the executive committee was seeking another candidate 24 rank-and-file members signed a motion calling for a special general meeting of the association.

At the end of the 21-hour meeting on Monday night the voting was 68 to 42 in favour of Mrs. Wood's continuing as candidate. Mr. Wood immediately announced his resignation from the association and several other executive committee members who had opposed Mrs. Wood said they would resign.

The firm is now in the hands of Gerald and Desmond Corcoran and Mr. Martin Summers, son of the late steel magnate, Sir Spencer Summers. Since the gallery showed such artists as Cézanne, Gauguin, Séurat, Modigliani, Utrillo and Picasso in the 1930s, many of their

Commercial art galleries, 3: Selling to the rich takes showmanship Fruits of van Gogh's canny Scots flatmate

By Roger Berthoud

All an art dealer really needs to be in business is an eye, some money, a great deal of knowledge and some contacts. Mr. Edward Speelman, for example, never had a gallery but made a lot of money dealing in Dutch pictures from a couple of rooms three floors up in Piccadilly, before leaving for Switzerland and handing over to his son. He sold only about thirty top class pictures a year.

Many dealers have a streak of the showman in them. Galleries enable them to indulge their flair and generate their own history and associations that cannot be not unhelpful, especially when dealing with the wealthy.

Reid and Lefevre, of Bruton Street, the leading specialists in Impressionist and Post-Impressionist art, are a case in point. Their association with the Impressionists goes back to 1886, when Alex. Reid, a Glasgow dealer's son, went to Paris, got to know Vincent van Gogh and shared a flat with him.

He met most of the Impressionists, became a champion of their work, and started sending it back to Glasgow. Little can he have imagined that in 1975 the gallery he helped to found in 1925 would sell a van Gogh to an unnamed client for more than a million pounds.

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Mr. Martin Summers: Selling Renoir and Degas on approval.

finest works have gone into museums, never to return. "Luckily painters like Renoir, Cézanne and Degas were very prolific," Mr. Summers says. "We know where all their major pictures in private hands are—most of them are in oeuvre catalogues—and we have either to get there first or pay more than anyone else when they come on the market." That requires considerable nerve.

There are three ways of selling: by auction with a reserve; by asking us to buy it; or by giving it to us to sell on commission, a flat rate of 15 per cent. It used to be 10 per cent, but you have to insure, possibly clean and reframe. Almost 90 per cent is sold

abroad, almost exclusively to private clients. There are a lot of rich people in the world. There has been a sad decline in collecting here, but there are signs it is coming back."

Clients include Greeks, Swiss and a lot of Americans. Some Japanese are coming back after spending prodigious sums, not always wisely, between 1959 and 1974, when they dropped out (preceded by the Italians, who have stayed out).

Mr. Summers spends at least four months a year visiting collectors abroad. "They want to keep up to date. You establish a rapport, so when he is in a buying mood he might come and see you. He may say: 'What have you got?' You bring out your 500 by 1200 transparencies, and the client can get a very good idea."

"I can get a picture anywhere in the world in three days. He may want to see it in the house; you send it on approval. The insurance cost is colossal. You have to be pretty sure he is on the way to buying."

Mr. Summers estimates that there are about fifteen big dealers in Impressionist in the world, mainly in New York, Paris and Basel. The chief competition in London is from Marlborough Fine Art, which was founded after the Second World War by two Viennese who met during the war in the Royal Pioneer Corps.

They were Mr. Harry Fischer, who set up on his own in 1972 and died this year, and Mr. Frank Lloyd, now retired and living mainly in Nassau and Paris. Mr. David Somerset, heir of the Duke of Beaufort,

is chairman, with Mr. Gilbert Lloyd, son of the founder, as managing director.

In the past 15 years Marlborough has developed associated galleries in New York (where a law suit concerning the estate of the painter, Mark Rothko, led to damages and fines against the gallery, Mr. Frank Lloyd and the executors totalling £4,636,000 in 1975), Rome, Zurich, Montreal and Toronto, but has ended links with the last two after "market changes", Mr. Gilbert Lloyd says.

In 1975 the London gallery, in Albemarle Street, made a loss of £117,000 from a turnover of £829,477 (a big drop from the previous year), according to Companies House records. But Mr. Lloyd says that this year has been very good.

He thinks they are at present making more money from Impressionist and Old Masters of the twentieth-century, like Picasso, than from the British "heavyweights" for which they are best known: Henry Moore, Francis Bacon, Graham Sutherland, Eduardo Paolozzi, R. B. Kitaj, and so on.

Marlborough is "auto-financed", as Mr. Lloyd puts it. Probably 80 per cent of sales go abroad, mainly to private clients, for example Greek or American collectors who buy right across the Impressionist and modern spectrum. But they also sell a lot to museums.

Museums may be slow to make up their collective mind (too slow for some dealers). "But when a museum has committed itself, it produces the money."

Next: Leading characters

Payments to county secretary 'not illegal'

The £8,000 lump payment and the £100-a-week inflation-proof life pension awarded to Mr. Anthony Johnson, aged 42, when he retired from his job as county secretary of Hampshire through ill health, was legal, even though he took an £11,500-a-year job in Wales within a year, it was stated by the district auditor yesterday.

Hampshire County Council had taken no independent medical advice about his health. When it became known that Mr. Johnson had been appointed head of legal services to the Welsh Land Authority in Cardiff, a complaint was made to Mr. A. J. Kappeler, the district auditor.

Mr. Kappeler has dismissed the complaint on the grounds that the pension deal was lawful and that Hampshire County Council's decision "was not so unreasonable as to be contrary to law".

Mr. Keith Robinson, Hampshire's chief executive, said yesterday: "The finding confirms the council's view that it acted fairly and reasonably."

In dealing publicly with any individual's health and pension particulars the county council has been and will remain, understandably reserved and circumspect in its comment."

Councillor Frederick Emery Wallis, leader of the county council, said The decision was a vindication of the council's action.

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WEST EUROPE

Third day of protest rioting in Malaga

From Our Correspondent
Madrid, Dec 6

Left-wing demonstrators and riot police clashed in Malaga for the third day running today during a one day strike staged in protest against the shooting of a young Communist worker by the police during Sunday's Andalusian home rule demonstration.

Police fired volleys after volleys of smoke and tear gas bombs, as well as rubber bullets, to disperse the demonstrators, particularly in the old quarter of the city.

Last night, after the shot worker's funeral, the head-quarters of the extreme right-wing movement Fuerza Nueva were burnt down and the residence of the civil governor and the police barracks were attacked by several thousand stone-throwing demonstrators. Two policemen were seriously injured.

Neither of Malaga's two newspapers appeared today and most shops and bars were closed. Public transport was at a standstill and rubbish had not been collected from streets for two days.

Many balconies and windows were adorned with the green and white striped flag of Andalusia, with a black bow in the middle as a sign of mourning for the Communist.

The Cortes will study the causes of the violence in Malaga, the worst since the Civil War, at its next plenary session.

This evening, the Madrid newspaper *Diario 16* appeared with the sensational headline "Arde Malaga" (Malaga burns), reminding Spaniards old enough to remember the burning of the city during the Civil War in 1936.

Other newspapers have pointed out that Andalusia now has its first martyr for the cause of autonomy.

In other parts of Andalusia, there were work stoppages.

A plastic bag containing over 600 of explosives was found this morning in the laboratory of a small Civil Guard barracks outside San Seba.

The explosives were timed to go off five minutes after they were discovered.

Santa's £25,000 haul

Oetwil am See, Switzerland, Dec 6.—It seemed like early Christmas when a beaming Santa Claus strolled into a bank here today but instead of handing presents to the staff he drew a pistol and made off with 100,000 Swiss francs (£25,000).



President Giscard d'Estaing of France makes a point to Mr Callaghan before the start of yesterday's European Community summit meeting in Brussels.

Soares plea for end to time-wasting

From Our Correspondent
Lisbon, Dec 6

Dr Soares, the Portuguese Prime Minister, today asked Parliament for a vote of confidence in his minority Socialist Party Government, saying that the country's economic crisis was so grave that "we cannot waste time on political problems".

He called for the vote after weeks of intensive negotiations with opposition parties failed to produce agreement on a national austerity plan.

Speaking at the start of a marathon two-day debate, Dr Soares said he was asking the Assembly to decide on two things: should the Government be allowed to remain in power; and did Parliament accept in principle the present negotiations with the International Monetary Fund (IMF) and its demand that Portugal's balance of payments deficit be reduced by a third.

At present, the outcome of the vote appears uncertain. The vote is expected late tomorrow night.

Nato chief urges aid for Turkey

From Henry Stanhope
Brussels, Dec 6

Nato defence ministers were warned in Brussels today of an urgent need to give military assistance and aid to Turkey and Portugal on the alliance's troubled southern flank.

The warning from General H. F. Zeiner, Chairman of the Norwegian Committee of NATO's military committee, was clearly aimed at the United States Congress which remains reluctant to endorse a \$1,000m (€555m) defence agreement with Turkey as a result of the Turkish invasion of Cyprus three years ago.

The gap in conventional capabilities between Nato and the Warsaw Pact continued to widen, he said, and shortcomings on the northern and southern flanks were of particular concern.

Some of the allies needed help, particularly in modern equipment if they were to play their full part in Western defence. "If it is not provided, the alliance as a whole will suffer," he said.

In a review of the military balance for Nato, the planning committee General Gundersen said that a "serious numerical shortfall" in ships was the main concern of Western naval chiefs.

Despite improvements in the allied forces, they were failing to keep pace with the airborne, surface and sub-surface threat posed by the Warsaw Pact.

As for the balance of forces on land and in the air, there was a trend in the Warsaw Pact towards numerical stability. It was the pact's programme of qualitative improvements which was worrying the West.

The present gap in conventional forces was largely attributable to NATO's allocation of "insufficient resources" to defence.

The target of a 3 per cent increase in spending which was established at the alliance's summit meeting in London last May was a promising step forward. But it would not be enough in itself.

Asked at a press conference about his opinion on possible NATO deployment of the controversial neutron bomb, General Gundersen said that it was a "frightening weapon—as are all weapons".

It offered military advantages by helping to counteract the disparity between Nato and the Warsaw Pact in armoured vehicles. But whether the West should have it was very much a decision for the politicians.

The final examination of how countries are meeting the 3 per cent target is not expected until the next summit in Washington in six months. So far only four members have outlined their programmes.

Britain's own progress should be better gauged after the forthcoming public expenditure survey. But British officials say that substantial progress has been made towards achieving some of the shorter-term measures which will bring Britain up to the target.

The measures which all allied countries were asked to pursue were in anti-air and missile equipment, the build-up of war reserves and the speedy reinforcement of peace-time armies.

The British, the Americans and the West Germans are putting pressure on the Dutch to send another brigade of troops to West Germany.

Although the Netherlands, like Britain, contributes one corps to Nato's Northern Army Group, only one brigade is stationed in the ground near to its battlefield positions.

Greek-Turkish meeting, page 3

Italy repeats Diocletian's price curbs failure

From Peter Nichols
Rome, Dec 6

Whatever happened to the Government's war on rising prices?

There was one: people were not allowed to buy more than a certain amount of foodstuffs, and given a telephone number to ring if some cheating grocer tried to make more than the law allowed.

It all comes back after yesterday's announcement by the national fruit and vegetable wholesalers' association—in tones of some alarm—that they are already having to pay 150 to 200 per cent more to the producers than this time last year. If such a thing were done, the heights of the absurd would have been reached by Christmas, they said.

They want the old structure of wholesale markets abolished and replaced with something new which would allow political authorities, producers and shopkeepers to arrive at fair prices, "after an open and democratic dialogue".

The last attempt at popular involvement in price control went back to the summer of 1973, when the Prime Minister was Signor Mariano Rumor. It might as well have been the Emperor Diocletian who in AD 301 published an edict specifying maximum prices to try to control the cost of living in an empire facing decadence.

His *Edictum de maximis pretiis* did not have much success. But this did not deter Signor Rumor's Government from trying to do it again in 1973.

Later and drawing up a list of prices, province by province, which had to be displayed in shops so that customers could check that they were not being overcharged.

The effect was to raise prices in small towns and villages to the level sanctioned by the prefects who sit in the provincial capitals.

The real difference between Signor Rumor and the Emperor Diocletian was that the Government revised the novel idea of issuing a telephone number which customers could use to report excessive prices. "Phone the Government" was the slogan.

But the effect was to raise prices in small towns and villages to the level sanctioned by the prefects who sit in the provincial capitals.

For a few weeks, the Government received some telephone calls and some shopkeepers were threatened with fines. There were even reports of bakers taken manacled to prison in the first enthusiasm.

But, in the words of an official today, "the idea was not really warmly appreciated". He added: "It might have fared better in England."

In Rome the number offered with such publicity to the public is forgotten. The telephone company, which belongs to the offices of the interministerial committee on prices. There, a woman refers callers to another number which turns out to be the Chamber of Commerce.

Rather more respect is shown in Milan. The telephone number originally at the disposal of disgruntled customers has been promoted to that for the prefect's office for the province. As for the manacled bakers, they are as much a thing of the past as the Emperor Diocletian.

UN staff's token strike in Geneva

From Our Correspondent
Geneva, Dec 6

The 3,000 staff at the United Nations Palais des Nations have been asked to observe a token strike tomorrow. The strike will coincide with discussions on the Geneva pay situation in the fifth committee of the General Assembly in New York.

The union committee says the strike is to draw public attention to the fact that the decision of Dr Kurt Waldheim, the Secretary-General, to apply a pay freeze as from January 1 is a "disgraceful and humiliating bargaining agreement reached last year after a one-week strike".

Pickets will be out but anyone who wants to work will be able to do so. The United Nations administration has warned that strikers will lose a day's pay. Essential services will be maintained.

M Chirac challenges state in attempt to cut Paris rates

From Ian Murray
Paris, Dec 6

As the new Mayor of Paris, M Jacques Chirac, prepares to take office, he has to overstep the bounds of his rights as mayor and in choosing the financial policy of the city.

At the same time he is losing support on the left by his refusal to negotiate with the 800 or so sewerage workers on their pay claim. They have been on strike since October 20, when negotiations broke down.

Despite repeated attempts, they have been unable to reach any form of compromise to end what has already become one of the longest total strikes in the city's history.

Their main job is to keep the city's 1,300 miles of sewers unclogged and free from rats. The sewers were designed and built in the last century and have been little altered since.

They work so efficiently that although the strike has been going on for 48 days, only now are there any signs that some pipes are beginning to silt up.

The sewerage is claiming an increase from their present 2,400 francs a month (£63 a week) basic, plus the right to two consecutive days leave and the creation of a joint hygiene committee to watch over the system.

Last year there were eight deaths from industrial accidents in Paris sewers and 30,000 years work lost. In the past 10 years four men have died from rat-carried diseases and 10 from cancer.

With M Chirac determining to clamp down on town hall expenditure, the sewer rates of Paris—the bonus for killing them—is 250 francs (25p)—could soon be on the increase.

OVERSEAS

Mr Carter accuses Russia of continued human rights abuses

From David Cross
Washington, Dec 6

President Carter has accused the Soviet Union and East European countries of failing to live up to the Helsinki agreement by continuing to violate human rights.

In a report to Congress published this week, Mr Carter said that claims of compliance by the Soviet Union and its allies were contradicted by "the reality of Eastern societies and by specific incidents", like the persecution of people trying to encourage their governments to implement the promises made in the Helsinki conference two years ago.

The President is required to report to a congressional commission every six months about the way in which the Helsinki pact is being implemented by the 35 signatories. The latest report lists what Mr Carter calls "a representative sampling" of human rights infringements by East European governments.

He says past several prominent dissidents named in earlier reports, including Mr Anatoly Shcharansky, Mr Alexander Ginzburg and Dr Yuri Orlov, remain in detention and may be put on trial, although the charges against them remain unknown.

Moreover, two Ukrainian

members, of a group set up by Mr Orlov to monitor Soviet compliance with the Helsinki pact, have been sentenced recently to labour camps for periods of seven and 10 years respectively.

In Czechoslovakia, Mr Carter says, the authorities continue to try to silence members of the Charter 77 human rights movement. They like their Russian counterparts, are seeking conformity with various international agreements, including the Helsinki pact.

Other abuses include the imprisonment of several thousand East Germans for trying to leave the country without permission, religious persecution in most East European countries and the use of psychiatric hospitals to suppress political dissent in the Soviet Union.

On a more positive note, Poland has recently announced a general amnesty for about 10,000 prisoners, including human rights activists and workers imprisoned after civil disturbances in the summer of last year, Mr Carter says.

These kind words for the Polish Government may not be enough to encourage Poland to be the only port of call in Eastern Europe for Mr Carter when he tours Asia and Europe at the end of the year.

Sabotage check after atom plant blast

From Kuldip Nayyar
Delhi, Dec 6

Mr Desai, the Indian Prime Minister, announced today that an investigation would be launched into the cause of the explosion at a heavy water plant vital to the country's atomic energy programme.

He was speaking in Parliament after members of both Houses had criticised their own government for the explosion.

The explosion at the Atomic Energy Commission plant at Baroda in Gujarat had been caused by sabotage.

While some members alleged that the Atomic Energy Commission had been careless in its security measures, others said that the explosion was the result of sabotage.

Mr Desai said he shared the MP's concern but made it plain that the Government would not

act on mere suspicion. At the same time, he did not want to rule out any possibility.

Anybody found to be involved in causing the explosion would be dealt with severely and properly.

Mr Desai announced the appointment of a high-level committee, including Home Ministry intelligence experts, to investigate the blast.

The chairman of the Atomic Energy Commission, heading a technical team, has gone to Baroda to make an on-the-spot study. The Prime Minister said that till the examination is over, "it is difficult to give an idea about the extent of damage, the time that the repairs will take and what it will cost."

The government is already perturbed over a series of train accidents involving derailments which have clearly been caused by sabotage. Government agencies have been unable to trace those responsible.

Whale kill quota ignores plea by conservationists

Tokyo, Dec 6.—The 17-nation International Whaling Commission today set next year's total sperm whale catch quota in the North Pacific at 6,444, ignoring conservationists' recommendation to cut the figure drastically.

The vote was seen as a victory for Japan and the Soviet Union, which account for about 75 per cent of the world's total whaling activities.

Last June, a commission meeting in Canberra decided to cut next year's kill quota from 7,200 this year to just 763. The new quota includes 5,105 males and 1,339 females, the statement said.

The commission, which opened a special two-day session here today, also set a four-month closed season between March and June for catching male sperm whales over 45ft in length below a latitude of 40° N in an effort to help breeding.

—Reuter.

Korchnoi and Spassky draw sixth game

Belgrade, Dec 6.—Boris Spassky and Viktor Korchnoi today drew the sixth game of their final candidates' match to decide a challenger to Anatoly Karpov, the world chess champion.

Korchnoi now leads by 4 points to 2 in the 20-game match. The seventh game will be played Wednesday.

Spassky, playing White, and Korchnoi adjourned the sixth game on Monday evening after 40 moves of a French defence. Today, after 15 minutes and four moves each, Spassky proposed the draw and Korchnoi agreed.—UPI.

Tashkent earthquake

Moscow, Dec 6.—A strong earthquake rocked Tashkent, the capital of Uzbekistan, in Soviet Central Asia today. It caused no casualties or damage.—UPI.

Bitter attack on Dr Owen by President Kaunda

Continued from page 1

any proposals. We will not discuss the Anglo-American initiative. We will not participate. Let them discuss it themselves," he said.

"We believe we have made our case. We now say we have withdrawn from the debate. Let the Anglo-American plans go ahead. But let it be known that in the event of a Rhodesian withdrawal, we will not be held accountable," Dr Kaunda declared.

Dr Kaunda said he respected Mr Callaghan. "I think he's about the best person minister you've had for so long. But that minister of his worries me," he added.

"After what Dr Owen has said, my only reading of the situation now leads me to conclude that the Anglo-American initiative came when the black man was beginning to succeed in conquering the white man and he (the white man) had to be protected," Dr Kaunda added.—Reuter.

Washington: The Anglo-American plan for majority rule in Rhodesia remains on the table and active, despite a competing proposal by Mr Ian Smith, Mr Cyrus Vance, the Secretary of State, said today.

The Smith plan may be a step in the right direction, but it does not apparently provide for the kind of open elections that all parties will find fair," Mr Vance told a news conference.—UPI.

Our Diplomatic Correspondent writes: President Kaunda's emotional statement was received in London with concern.

The immediate cause of his outburst seems to have been a broadcast by Dr Owen, commenting on the Rhodesian attack into Mozambique. After condemning the Rhodesian

attack as savage and brutal, he had suggested that it might also show the Patriotic Front that the Rhodesian defence forces "are simply not on their backs".

Although it was felt in London yesterday that President Kaunda might have had an incomplete version of these remarks, Zambian policy on Rhodesia has been somewhat confusing to follow recently.

Dr Kaunda has been flirting with Mr Tiny Rowland, who arranged his meeting in Lusaka with Mr Ian Smith, the Rhodesian Prime Minister. According to Rev Kdebaingi Sibhelo, the nationalist leader, who has been having talks at the Foreign Office, there have been at least two other meetings between the Smith regime and the Zambians.

At all events, if Dr Kaunda's aim was to persuade Mr Smith to readmit Mr Joshua Nkomo, who has always been his own favourite nationalist leader, he seemed to have failed.

Mr Nkomo, however, has accepted Dr Owen's invitation to come to London for talks next week, although Mr Robert Mugabe, his co-leader of the Patriotic Front, announced in Maputo yesterday that he had decided not to come.

Recently President Kaunda changed his policy with the surprising declaration that he was against elections in Rhodesia for a period of years, proposing instead a government of national unity. Free and fair elections are, of course, a *sine qua non* for Westminster and British opinion as a whole.

But quite apart from that, there is no sign whatever of a united African front. Indeed, this has been one of the greatest difficulties throughout the whole of the tortuous negotiations of recent years.

ADVERTISEMENT

LIGA POR LA PAZ Y LA DIGNIDAD HUMANA

THE RIGHTS OF MAN MUST BELONG TO ALL

They were not on their guard, those peaceful workers and gay, confident children.

They were Argentines, parents of ours, dear people who knew nothing of war, and yet, they too lost their lives, that inalienable Right of Man which terrorism had not respected. They were the innocent victims of the deadly machine gun or the underhanded bomb. Real victims, made up of body and blood and who today have departed or who will forever remain marked by the acts of terrorism.

Pain and despair do not push us towards revenge. Contrary to the killers themselves, we do not call on the international organizations. We are entirely confident in the justice of our country, so unjustly attacked by rumours and false witnesses.

THESE ARE ONLY A FEW NAMES AMONG THE HUNDREDS OF CIVILIAN AND INNOCENT VICTIMS OF TERRORISM

- 4-9-73 Emilio Horacio Larrea, General Manager
- 11-11-73 Jose Ignacio Rucci, General Secretary of the Workers National Union (Bs. As.)
- 11-73 John Swint, Manager of TRANSAX (Cordoba)
- 28-4-74 Jorge Vicente Quiroga, Former Judge of CAFENEPA (Bs. As.)
- 15-7-74 Dr Arturo Mor Roig, Former Home Minister (Bs. As.)
- 27-8-74 Ricardo Goya, Manager of IKA RENAU (Cordoba)
- 13-9-74 Carlos Alberto Sautolo, Comando de Organizaciones (Chaco)
- 17-9-74 Dante Ruben Balcanera, Delegate Department of Employment
- 19-9-74 Alfredo Pablo Miotti, Stock-broader (Bs. As.)
- 19-9-74 Alberto Bouch, Manager Molinos Rio de la Plata (Bs. As.)
- 24-9-74 Ricardo Alborn, Brother-in-law of an Army Officer (Bs. As.)
- 3-1-74 Juan Mario Russo, Civil servant Social Welfare (Bs. As.)
- 2-10-74 Jordan Bruno Genta, University Professor (Bs. As.)
- 26-11-74 Mario Fernandez, Teacher (Bahia Blanca)
- 2-12-74 Youngest daughter of Captain Humberto Viola
- 3-12-74 Ruben Dominico, Adviser (Bs. As.)
- 4-12-74 Ramon Zamanigo, Staff Manager LA CANTABRICA (Bs. As.)
- 14-12-74 Antonio De Santos Larangueira, General Manager of the Fishing Industry (Bs. As.)
- 22-12-74 Carlos A. Sacheri, Teacher (Bs. As.)
- 22-12-74 Hector Mosquera, Industrialist (Bs. As.)
- 30-12-74 Roberto Abeigon, General Manager Fab. MILUZ (Bs. As.)
- 30-12-74 Manuel Martinez, Staff Manager Fab. MILUZ (Bs. As.)
- 1-1-75 Jorge Zarfenga, Staff Manager Fab. BENDIX (Bs. As.)
- 27-1-75 Armando Canziani, General Manager of Delegations Department of Employment (Bs. As.)
- 4-12-75 Juan A. Chavez, General Secretary of the Sugar Industry Union Concepcion (Tucuman)
- 8-2-75 Adeline Romero, Town councillor (Chaco)
- 17-2-75 Hipolito Acuña, Member of Parliament (Bs. As.)
- 18-2-75 Felix Villalaine, Corporative Delegate Fab. FITAM (Bs. As.)
- 21-2-75 Teodoro Ponce, Deputy Secretary UOM (Santa Fe)
- 23-2-75 Sigfredo Araco, Owner of an Hotel
- 26-2-75 John Patrick Egan, U.S. Consul (Cordoba)
- 3-3-75 Jorge Raul Capitanelli, Doctor (Santa Fe)
- 30-3-75 Carlos Pianon, Lawyer (Mar del Plata)
- 20-3-75 Rinaldo Rodriguez, Leader UOM (Mantanza-Bs. As.)
- 1-4-75 Hector Sarrade, Shipbuilding Union (Bs. As.)
- 4-6-75 Raul Amelung, Manager ACINDAR (Villa Constitucion)

Until now, overwhelmed by sorrow, we have not reacted: we took refuge in Silence. But in front of the dangers brought by those who preach in favour of terrorism, we think that the time has come to tell the world of our suffering and the real Truth so that similar incidents will not recur.

Truth is the fervent protectors of the Rights of Man which belong to all but which are also irrefutably part of the Duties that each individual holds towards Mankind. Terrorists neither perform the Duties of Man nor respect his Rights.

The development of terrorism at world scale should encourage the leaders of every country to mediate. Therefore a strong alliance of all those who want PEACE is necessary.

May the sufferings of the Argentinian people serve to draw the attention of all the people in the world.

10-6-75 Juan Enrique Pelaez, Secretary Bank Assoc. (Santa Fe)

16-6-75 Fidel Dalmacio, Manager FACETY (Bs. As.)

18-6-75 Reido Quiroz, Ceramics Union (Bs. As.)

28-6-75 Gaston Ponce, Member of GNU (La Plata)

28-10-75 Alberto Salas, Staff Coordination Responsable FIAT (Cordoba)

28-11-75 Pedro Sabao, Member of JSP (Rosario)

18-12-75 Alberto Manuel Campos, Councillor San Martin, the driver

17-1-76 Carlos Ferrin, Head of the Intendencia (Bs. As.)

30-1-76 Oscar Paolino, Executive of FADETE (Bs. As.)

30-1-76 Eduardo Lizman, and two of his sons who happened to be near the Police Station of Virreyes when terrorists attacked.

9-2-76 Maria Caride de Lanusse, Daughter-in-law of General Lanusse, killed by an explosion.

21-2-76 Vicente Lopez, Worker of ACINDAR Corporative Delegate (Bs. As.)

28-2-76 Hector Bartolome Minetti, Chairman of the Board of Directors Sudamericana de Cemento Portland (Cordoba)

6-3-76 Angel Lequizamón, Officer of the Merchant Navy (Bs. As.)

13-3-76 Angel Alvarez, Waiter in a Bar (Cordoba)

2-4-76 Eduardo Leone, Head of the US Penitentiary (La Plata)

21-4-76 Raul Velozco, Manager of Sancer Plant (Cordoba)

14-4-76 Jorge Ricardo Kelly, General Manager Chrysler (Bs. As.)

30-4-76 Antonio Di Lori, Manager of Almacenes Ferrocarril Mitre (Bs. As.)

2-5-76 Pedro Jose Rotta, Manager FIAT Section (Bs. As.)

30-5-76 Mario Hector Guevara, Official responsible for order

PERKINS (Cordoba)

14-5-76 Jorge Kenny, Executive of Chrysler (Bs. As.)

19-5-76 Carlos Gasparini, Civil Servant Department of Water and Energy (Rosario)

15-12-76 2 Workers, Railway Station Quilmes (Bs. As.)

10-10-77 Adán Klobertanz, Worker Ingeniero White

13-10-77 Ramona Enrique, Chrysler executive's servant (Lomas de Zamora)

13-10-77 Marcelina R. Escobar de Escalante, Chrysler executive's servant (Lomas de Zamora)

20-10-77 Francis Schwab, Manager Industrial Relations YP (Bs. As.)

24-10-77 Richardo Salar, Control Chief of Quality LOZADUR (Boulogne-Bs. As.)

THE RIGHTS OF MAN FOR ALL, BUT THE DUTIES OF MAN SHOULD ALSO BE PERFORMED BY ALL

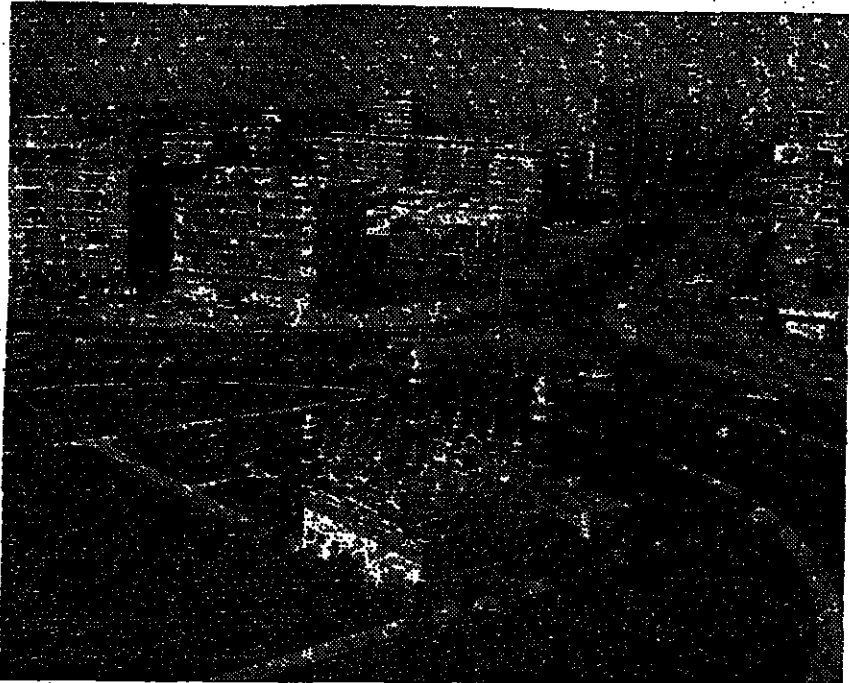
MARIO BENITO DE LOS SANTOS
President

FEDERICO VOLPI
Secretary

Poste address: CASILLA DE CORREO 19—Bella Vista—Prov. De Buenos Aires.

PARTNERS FOR PROGRESS

That, in just three words, is the remarkable story of the success of the United Arab Emirates in just six short years. In that time—less time than it has taken some industrial nations to build a single factory in some cases—seven small and almost totally undeveloped states, each with its own fiercely independent local customs and attitudes, have welded together into a thriving and formidable federal nation-state whose voice is among the most influential and often heard of the Arab Nations. Seven states into one. In just six years. Partners for Progress. It is more than a slogan. It is a triumph, an achievement virtually unparalleled throughout history.



The small Mosque in Abu Dhabi, a vestige of the old capital city, now a landmark in one of the main squares in the capital and a striking contrast with the surrounding buildings.

THE CONSTITUTION

The UAE is today a country of some 32,380 square miles stretching from the Gulf of Oman on the Indian Ocean in the east, the Straits of Hormuz in the north and the borders with Qatar and Saudi Arabia in the south and west. The total population is estimated at about 660,000 of which Abu Dhabi emirate has some 236,000, Dubai 210,000, Sharjah 89,000, Ras al-Khaimah 58,000, Fujairah 27,000, Ajman 22,000, and Umm al-Qaiwain 17,000.

The federal capital and main seat of power is Abu Dhabi. The leading governing body of the UAE is the Supreme Council of Rulers, consisting of the rulers of the seven emirates headed by the Federal President Sheikh Zayed bin Nasser Al-Nahyan of Abu Dhabi and Sheikh Rashid bin Maktum of Dubai, the Vice-President. The Supreme Council has responsibility under the 150-clause constitution for general policy on all major matters of state, including foreign affairs, defence, internal security, education, health, immigration, housing and development. Decisions require the approval of at least five members, including the Rulers of both Abu Dhabi and Dubai. President

and Vice-President are elected for five years and may be re-elected, as both Sheikh Zayed and Sheikh Rashid were at the end of last year.

Under the Supreme Council comes the Union Council of Ministers, or cabinet, headed by a Prime Minister. The Council of Ministers has executive authority to initiate union laws and implement them and is collectively responsible to the Supreme Council. The President appoints individual members of the Council on the advice of the Prime Minister.

The people's forum is provided by the Federal National Council, or Parliament, consisting of 40 members elected for a two-year term from each of the emirates. Abu Dhabi and Dubai are represented by eight members each, Sharjah and Ras al-Khaimah by six, and four each from Fujairah, Ajman and Umm al-Qaiwain. The Assembly, elected to the International Parliamentary Union this October, is entitled to discuss and if necessary propose amendments to federal laws presented by the cabinet, as well as debate any other matters of public interest it cares to.

20,000 units annually; two large scale projects, not directly linked to oil, demonstrate the breadth of vision behind the industrialisation programme of the Federation. One is the Dubai Dry Dock, scheduled for completion in 1979. This dock will be the largest of its kind in the world.

The facility will consist of three docks, one of which will be able to handle two 500,000 ton ships at the same time, or indeed, a single one million tonner, when the time comes that such ships are built. Additionally there will be eight berths for repair and maintenance, plus one for tanker cleaning—meeting the need for a dry dock in such a sea-lanes, and which are the lifeline of all countries with access to the Gulf. At the start of the operation 4,000 workers will find employment at these docks, while when these docks will operate at full capacity it is estimated that 12,000 employees will be needed.

The other large scale project is an aluminium smelter, for which the contract was signed in April, 1976, and which will need four years to complete at an estimated cost of \$500 million. It is expected to be the biggest of its kind in the world and will initially have an output of 135,000 tonnes a year and will give employment to 12,000 men. A dry gas processing plant is included in the overall project.

It will be seen that the ambitious industrialisation of the UAE is very soundly based and imaginatively directed.

OIL PRICES

One of the most important factors in the stable growth of the world economy is the price of crude oil. The UAE was as pleased as the other 12 members of OPEC when it became clear to them all that concerted action would lead to a more economic price for what was for most of them the sole export product. Nevertheless, along with Saudi Arabia, the Federation strongly believes that a balance must be struck between the need for increased revenues by the oil-producing states on the one hand, and the danger of increased costs to the oil-consuming states on the other.

Both the UAE and Saudi Arabia (which together account for over a third of the total output of members of the organization), have consistently argued for a gradual increase in the rate of crude oil price rather than one marked by sudden, and possibly punitive, upward leaps. To this end, for the first half of this year, both countries held to a 5 per cent increase on the 1976 price in order to assist the adjustments necessarily forced upon the oil-consuming countries. However, out of consideration for the will of the majority in OPEC, the UAE and Saudi Arabia agreed to a price rise of 10 per cent.

UAE President Sheikh Zayed said recently: "It is more important for OPEC to adopt a United Stand than raise or lower oil prices. What makes OPEC strong is agreement on policy matters. To preserve their unity, the member countries must cast off their narrow national interests and work for the interests of the Organisation as a whole. In the OPEC context, national interests are transitory, whereas OPEC unity is permanent." However, the Federation is equally firmly of the opinion that the policy of countries outside OPEC, developing or industrialised, should not be ignored.

Oil production in the UAE has been running at around 600 million barrels a year, or over 1.6 million b/d, split roughly, 15 per cent to Dubai and 85 per cent to Abu Dhabi. Sharjah has started to come onstream with some 40,000 b/d and Ras al-Khaimah could soon be an oil producer. Production levels increased slightly in the early part of the year reflecting the temporary price differential, but demand worldwide has slackened off from the second half of 1976, so there was no question of the UAE increasing its market share to any significant extent.

The position of the Third World countries and the UAE's overall foreign policy have been the great bearing on the Federation's oil policy. Obviously domestic revenue needs and worldwide demand are factors in making the price, but above and beyond that is the consideration of justice in the Western economies and the effect this has on both OPEC members and Developing countries. The West must be willing to cooperate in a radical form of its international economy and provide a more equitable balance between industrialised and the Developing nations.

Unlike most other members of OPEC, the UAE has not gone for outright nationalisation of the oil companies operation within its frontiers. Control over the industry is still exercised, as the Government decides on the price of oil, output averages, the level and destinations of exports, how many wells are drilled, and who will work them. Revenues are secured too. When the price was \$12.86, the Government got all but 22 cents of that after allowing the companies to cover their production costs. In return for their share, the companies participate in financing of exploratory work and the wells production.

The UAE rejects any charge that higher oil prices are unjustified. Surpluses which accrue are not surpluses in the proper sense, claims the Federation, but solely a portion of its earnings which cannot be put to immediate use in development projects. Such funds are there for reserves for deferred investments rather than surpluses.

FIRST UAE NATIONAL HEADS CURRENCY BOARD

"A committee of experts is reviewing the UAE dirham's exchange rate in relation to the US dollar." The dirham has

been in the dollar area since its birth in 1974, a senior member of the Currency Board announced recently. Abdul Malik Al-Hamr, the first UAE national to lead the Currency Board, said the dirham's drawing rights will be evaluated in relation to a collection of selected currencies whose value can affect the UAE's foreign trade.

In his first statement since his appointment early this month, the Currency Board boss, Abdul Malik Al-Hamr told WAM that a broad financial policy is under study and will hopefully be finalised soon.

That policy should contribute to the economic boom in the country without contributing to inflation or economic stagnation. Al-Hamr denied the existence of economic chaos in the country. He added that there were mistakes which are being corrected so that the Currency Board, which acts as the central bank, will be able to devise the necessary financial system.

The Currency Board executive described the UAE economy as "very sound", with huge hard currency and gold reserves, effective cooperation between the Board and the Planning Ministry and efficient administrative organisation in the State. Al-Hamr said the UAE Central Bank will soon be opened after the legislative arrangements have been finalised.

FOREIGN POLICY

The UAE remains intensely true to its original policy on non-alignment in international politics, while actively and enthusiastically pursuing the Arab interest in World Peace.

The present policy of the Government was only put into a government policy speech on October 4th, 1977, by HE Ahmad Khalifa Al-Suwaidi, the UAE Minister of Foreign Affairs, to the General Assembly of the UN. In this speech he outlined the UAE's philosophy on international politics, human rights, non-alignment, inter-dependence of developed industrial countries and the developing countries and the UAE's support for a new international economic order, based on justice and more equitable economic relations. Here we give short extracts of His Excellency's speech which cover part of the UAE's foreign policy.

Africa and Palestine

"The UAE has followed with deep concern development in South Africa, Rhodesia and Namibia. We condemn the policy of Apartheid since this policy represents a flagrant denial of the most fundamental human rights and constitutes a clear violation of the Charter of the UN."

"No settlement can be achieved for the peoples of Namibia, Zimbabwe and Palestine except by their right of self-determination, independence and national sovereignty."

The New International Economic Order "We believe that security in its political as well as its economic aspects is one indivisible whole. There can be no real World Security as long as urgent economic issues remain unresolved. Aiming at the bridging of the gap between the industrial and the developing countries, we fully support the establishment of a New International Economic Order based on justice and a more equitable economic relation thus ensuring progress in the developing countries and the improvement in the standard of living. Unfortunately, trade continues to deteriorate to the detriment of the developing countries leading to a rise in their indebtedness, obliging them to allocate a greater proportion of their export earnings to service those debts at the expense of their better imports from the industrialised countries. At the same time, the prices of primary commodities exported from developing to industrial countries, continues to deteriorate with the resulting aggravation of their Balance of Payment."

"We will continue to support and contribute any international cooperative effort since we have deep faith in the principles of the UN and its fundamental aim of promoting human welfare, and the establishment of an international economic order based on justice and equality."

THE UAE INAUGURATES THEIR FIRST UNIVERSITY IN THE CITY

The first 500 students whose registration was announced last month by Education Minister Abdulla Oman Taryam arrived on a scheduled at Al Ain this month to start the first academic year of the UAE's new university.

Three hundred of the students attending the four faculties are male and 200 are female. Director of Students Affairs Dr Abdul Rahman Hamdan has said that girls have shown special interest in the faculties of education and arts.

The university is studying the possibility of admitting foreign students and a decision is expected to be taken on this before the start of the new year. While the Vice-Chancellor of the university, Dr Abdul Aziz Al-Bassam, has been meeting with the Minister for discussions on a number of organisational issues, the university's laboratories, libraries and other facilities are now fully furnished and equipped.

A television circuit transmitting lectures both inside and outside the university lecture halls has been installed and students and teaching staff alike will benefit from the research facilities offered by the university library and its Chief Librarian Abdulla Abbas.

A number of technicians from UNESCO have been on the university campus installing scientific equipment and teaching materials.

Although the four faculties of Arts, Political Science and Administration, Education and Science are opening for their first academic year in October, the inaugural festivities will not be held until next month.

The opening will be attended by His Highness President Sheikh Zayed, members of the Supreme Council of Rulers, Arab Education Ministers—who will then be holding a conference there—and many educationalists from all over the world.

The Education Minister has announced the appointment of two deans at the university. Dr Ibrahim Ammar, formerly of Cairo University, was appointed Dean of the Faculty of Sciences. Dr Ali Al-Yah was appointed Dean of the Faculty of Arts.

Cairo University's former Dean of Education was appointed Deputy to the Vice-Chancellor and Mohamed Hamad Khalifa has been selected Director of education methods and science laboratories.

Deans of the faculties of education, commerce and political science and heads of various departments are expected to be announced soon.

The Jordanian Government has agreed to second five teachers from the Jordanian University to work in UAE University. The UAE have also contracted 137 employees of both sexes, mostly from the Philippines, for running their boarding sections, playgrounds, agriculture and stores.

UAE GRADUATES ABROAD

Women make up a large percentage—almost 44 per cent—of the total number of UAE graduates who took their degrees from various foreign universities last year. The Ministry of Education has forwarded the files of 51 of the 58 of those graduates to the personnel Department for suitable placement in the various ministries and departments. The Ministry has met the expenses of the students while studying abroad. Of the 19 who graduated from Egyptian universities the majority were in commerce subjects while a large percentage of those from Kuwait had taken arts subjects. There were also five who graduated from Baghdad and five from the United States. One female student graduated in Sharia science from Qatar.

All the college graduates who passed in 1977 were asked by the State Ministry for Cabinet Affairs to report to the Civil Service Department both in Abu Dhabi and Dubai to fill out job applications. The request came after the cabinet's decision to place graduates in various government departments.



His Highness Sheikh Zayed bin Sultan Al-Nahyan, President of the United Arab Emirates.

OVERSEAS AID

As it has the highest per capita income of any country in the world, the UAE is as a fundamental responsibility of the provision of assistance to countries less fortunate. It also remembers its own reliance on aid in the years before its oil revenues gave it financial self-sufficiency. Aid is also a key platform of foreign policy, and the developing countries are seen in the words of the late Foreign Affairs Secretary of State Saif bin Ghobash, as countries with which the UAE has "shared their suffering and whose problems are almost our own."

The Federation is leading the world in aid to developing countries; it has over a third of its gross national product tied up in projects, not just in the non-oil producing Arab States, but also in States in Africa and Asia as well as Islamic countries elsewhere. The key to this programme is coupling the technology of the West with the financial resources of the Middle East. Everybody benefits, because the oil producers find worthwhile outlets for their petrodollars.



Inauguration of Al Ain University, Oct. 1977.

the industrialised countries find new avenues for their exports, and the developing countries are provided with the resources necessary for the foundation of a healthy infrastructure and economy.

The main channel is the Abu Dhabi Fund for Arab Economic Development (ADFED). It was established three years before the OPEC price increases with an authorised capital of \$120 million, and following the increases, this was more than quadrupled to \$500 million as African States were brought into the aid network. The Fund can both lend money on normal banking lines or participate in projects on normal equity basis or investment banking lines. This flexibility allows development of projects for needy countries which might not have been possible under strictly commercial and normally accepted criteria.

Even with straight loans, the Fund gives the countries concerned a considerable advantage. With commercial bank interest rates running between 12 and 15% a year ago in the major financial centres, the Fund makes loans rather more accessible by softer terms, in addition to building in a period of grace in the ratio of four years for a 15 year loan. No less than 16 countries in Africa and Asia last year benefited from such a lending policy. Loans outstanding on this basis can safely be put at over 4 billion UAE Dirhams (\$570m) and to date that figure has appreciated considerably.

It must not be imagined that the ADFED hands out money blindly in answer to each and every request. Even the UAE's high income is not enough on its own to solve, to any great extent, the serious problems facing many Third World countries. Therefore each project proposed has to be considered on its own merits, with priority given to those which offer tangible benefits to the local community and the particular country as a whole. This applies equally in either of the roles that the Fund is to take, as an investor or as a banker with a soft loan or indeed as a partner. ADFED, however, insists that applications for aid should include thoroughly prepared projects and feasibility studies, because, says ADFED Director Dr Hassan Abbas Zaki, if the country has not the details worked out for the scheme for which the cash is required, it will have a hard time convincing us of its viability.

Looking at particular countries on their own, Egypt for one has had a wide range of industrial projects which have benefited of UAE's financial backing and which are assisting in the recovery of its war devastated economy. Less than two years ago the "Gulf Authority for Egypt" was set up with \$2 billion as a capital base, financed jointly by the UAE, Saudi Arabia, Kuwait and Qatar. On its own the UAE has been involved in direct aid to Egypt in a Dhs 40 million Urea plant at Talkha and a Dhs 130 million power station at Abu Quir. Among other Middle East confrontation states, Syria has had a Dhs \$2 million for a despatching centre, financed as part of a power station complex, and Jordan received Dhs 21.5 million for the construction of a dam and Dhs 5 million for the building of a highway, all directly financed courtesy of the ADFED.

Outside the Middle East area proper, eight African states, including very small and very impoverished ones, were under active consideration last year, with Fund officials visiting them to look at project viability on the spot. Tanzania, Uganda, Burundi and Rwanda were among those coming under scrutiny. Still further afield, ADFED held meetings with representatives from Sri Lanka, India, Malaysia, Indonesia and the Comoros Islands in initial contact preceding the study of aid programmes.

Aid to the Third World is also provided indirectly through international organisations and agencies. The UAE is a significant contributor to the World Bank; in 1975 alone over \$50 million were made available. It is also a contributor to the Islamic Development Bank, providing some 15% of its \$1.1 billion capital. It must be pointed out that, like the ADFED, the Islamic Development Bank does not confine its financing activities exclusively to the Arab countries.

"We will continue in future to provide aid to our brethren with all the limited means available to us as a developing country," said the late Saif bin Ghobash. The Third World has had to undergo economic hardships imposed upon it by the industrialised West, in the view of the UAE, and now that it has it within its power to redress the balance to a certain extent, that is what the Federation is going to do. The Minister continued by saying "it will help alleviate the burden that these countries have to bear as a result of the monetary inflation which the industrialised world has exported to them."

INDUSTRIAL DEVELOPMENT

In the past six years vast sums of money have been invested in industrial development by the UAE government. The quest for industrialisation is also one for diversification—to widen the country's economic base to a range of industries and thus lessen dependence on crude oil exports as the major source of revenue. At the same time the country's economic planners are aware that the oil reserves are not inexhaustible and that alternative revenue earners must be established to provide for a smooth transition in the future.

The UAE's industrial development programme reflects the international trend of shifting industrial capacity to the developing nations. The range of industries which can be established to take full advantage of the state's crude oil and natural gas reserves are legion. The UAE is not limiting its industrialisation programme to petrochemicals alone. New factories will provide a range of commodities including flour, cement, asbestos, tiles, pipes, prefabricated housing units and dairy products. Allocation to the Ministry of Finance and Industry for 1977 reached almost Dhs 40 million, while for 1976 it was Dhs 33 million, showing a 20 per cent increase in investment in industry not based on oil.

The Abu Dhabi National Oil Company is responsible for the country's oil and oil related industries, which already include two VLCC's, its own drilling company, a chemical mud company, participation in an oil and fertilizer plant in Pakistan, and in Egypt's Sumed oil pipelines. The first oil refinery at Umm al-Nar, near Abu Dhabi, was an important

step in the country's industrialisation programme. With a daily production of 15,000 barrels a day plans are under consideration for trebling this output to meet the whole domestic consumption of the Federation. A second refinery is planned to be operational within three-four years at Jebel Al Dhanna and an initial investment of \$500 million. Once operational this second plant will have an output of 120,000 barrels a day.

A petrochemical plant is to be located nearby, which will also be linked to a new deep-water port to facilitate the export of excess production. Bold new plans are also afoot to develop offshore liquid natural gas facilities to attempt to rival the already existing plant at Das Island, the first and largest of its kind in the Gulf.

The UAE's first cement plant has been operational since 1976, and is assisting in the ever growing demand from the construction industry for cement. A second cement factory is planned to be operational in 1978.

The demand of the construction industry has also ensured the viability of two plants producing prefabricated housing units at Al Ain.

An asbestos factory has been built at Umm al-Qaiwain, with an initial production of 20,000 tons, which is hoped to be increased to 40,000 tons within the next few years.

Looking back at the past six years of the UAE's existence certain successfully completed projects stand out: Liquefied gas plant at Magtaa with a daily output of 28 tonnes; Iron plant at Musafah with a yearly output of 24,000 tonnes; Fertilizer plant at Musafah with a daily output of 80 tonnes; Plastic pipes factory at Masfah with output of 2,400 tons of various sizes of pipes; Air-conditioning assembly plant at Sharjah producing



UNITED ARAB EMIRATES

PARTNERS FOR PROGRESS

For further information, please contact The Ministry of Information and Culture, POB 17, Abu Dhabi, United Arab Emirates, or the Embassy of United Arab Emirates, 30 Prince's Gate, London SW7 1PT.

Name

Address

OVERSEAS

Angry premier denies Owen claim that Britain could not reprieve Bermuda murderers

From Michael Leppman
Hamilton, Dec 6

Mr David Gibbons, the Premier of Bermuda, reacted angrily today to the Commons statement by Dr Owen in which the Foreign Secretary implied strongly that the final decision to hang the two convicted murderers, whose deaths started riots, was taken by the Bermuda Government.

"This Government had no power whatever to stay the executions," Mr Gibbons said. "I am advised that this is the position in law."

Dr Owen told the House yesterday that Sir Peter Ramsbotham, the Governor, had asked Mr Gibbons and his ministers whether a stay of execution should be granted because of the possible reactions to it. The ministers advised "that racial harmony, respect for law and order and the security situation would suffer more if a stay of execution was granted."

Mr Gibbons does not deny that this was the evidence he and his colleagues gave. What he does dispute, however, is that Dr Owen was obliged to accept it. "He could have granted a reprieve on behalf of the Queen at any time," he said.

"and we would be obliged to take cognizance of that."

So angry was the Premier at the reports of Dr Owen's statement that he persuaded the news media here to publish only a selective version in this morning's newspapers and news bulletins. The Royal Gazette, the only morning paper, omitted the controversial sections after Mr David White, the editor, had discussed the matter with Mr Gibbons.

"He read the passages to me and we agreed that they seemed inaccurate and it would be best not to print them," Mr Gibbons said.

This morning one of the radio stations quoted a report from The Daily Telegraph that the final decision on the hangings had been taken in Bermuda. Half an hour later the station announced that in response to a Government request it would not broadcast the item again until the Government had the chance to respond.

Mr Gibbons said that this decision was also taken after he had talked to the radio station about it. The Government was to release the complete text of the Owen statement to the press here later today.

Mrs Lois Browne-Evans,

leader of the opposition Progressive Labour Party, read the report of the statement at question time in the House from this morning's Parliamentary Report in The Times. She accused the press of "blatantly and needlessly following the wishes of our Government" in deciding to suppress key passages.

She added that as a result of Dr Owen's statement about the hanging decision, the Bermuda Government should resign and Sir Peter Ramsbotham should return to the United Kingdom.

Mr Gibbons and his colleagues are also angry at Dr Owen's remark in response to questions that he would try to persuade them to drop capital punishment. They feel that, under their self-governing constitution, it is not a matter in which the British Government can properly meddle.

After another quiet night with only a few scattered petrol bomb incidents, the Government pushed back the curfew by three more hours to start at midnight tonight. The authorities hope it can soon be lifted entirely to boost the sagging tourist trade. Hundreds of Americans have cancelled plans for holidays here since the emergency began last Friday.

'Backlog of political and social iniquities swept under a manicured facade and allowed to fester'

Tense island fears more rioting

From Our Special Correspondent
Hamilton, Dec 6

Now that Bermuda is calmer, its policemen, most of them British, like nothing better than to pass the time of night with visiting reporters, who stroll the empty streets of Hamilton protected by their curfew passes. Naturally, the reporters ask whether the rioting is likely to be renewed.

The almost unanimous answer is yes. "There is still a tension down there," a sergeant from Lancashire said, pointing towards Court Street, which has been the scene of much of the trouble. "They are still on the boil, but it may not come tonight or even this week. It may come on Christmas or New Year, or in a few months, but it will come."

The harder question, which neither police nor anyone can answer with conviction, is why. There is no doubt, judging from the shouted insults of the demonstrators and the targets they selected, that they are inspired by racial grievances. Yet on the face of it the black people of Bermuda seem to have less to complain about than black people nearly anywhere.

There is barely any unemployment; indeed, many have more than one job. Prices are high but so are wages, and the 4.5 per cent inflation rate is the envy of many, especially of the nation which has failed Bermuda out of trouble by sending troops.

The simplistic answer, given

by some in authority, is that the rioters are inspired by about 150 "trouble-makers" who lead a few hundred other youths in their wake, raising fires and raising hell for the lack of anything better to do.

This is simplistic not because it is necessarily untrue but because it implies that the troublemakers are motivated by no definable grievance and there is nothing to be done to still their protests.

This line of thought concludes that the only way of dealing with the mob is to resort to discipline, to show them it does not pay to step out of line. This was the policy which made the authorities determined not to give in to demands to reprieve the two murderers.

Those who hold this view sometimes blame the lawlessness on the fact that many of the young men's parents have two jobs and thus are hardly ever home to instil into them a proper respect. It is true that in a community of 60,000 the common complaint of young people that there is not enough to do to keep them occupied is likely to be justified, and stuck in the middle of the Atlantic miles from anywhere, there is nowhere else for them to go.

Mrs Lois Browne-Evans, the leader of the Progressive Labour Party, refuses to involve herself in such theoretical discussions, pointing out that there is a lawyer and a sociologist. But she does say: "We have swept a backlog of sociological, economic and

political iniquities under a manicured facade to fester."

Although riots in Bermuda are struck by the apparent amiability of race relations, resentments are not far below the surface. Formalized segregation existed until the early 1960s. Only in 1962 was universal suffrage introduced; before that the vote was restricted to landowners, most of them white.

At the last election the Progressive Labour Party won 46 per cent of the popular vote. As two-thirds of the population is black, the ruling United Bermuda Party, which has black and white ministers, still attracts a significant black vote.

More than half the whites, who were overwhelmingly for the UBP, were born outside Bermuda. This is what rankles with the blacks, although many of them were also born elsewhere.

There is a sense of an oligarchy here, of a few wealthy white merchants and bankers running the place by controlling the economy and through the UBP, its government. Although segregation no longer exists, whites and blacks do not often use the same bars and discos. As in many tropical holiday resorts, it is the blacks who have the menial hotel jobs.

The make-up of the police does not help race relations. Most are British, serving under contracts for a few years. Those who trouble do break out it is a white, foreign policeman who fires tear gas at the black mob.

In brief

Heyerdahl craft in trouble

Beirut, Dec 6.—Mr Thor Heyerdahl, the Norwegian anthropologist and explorer, said in a radio message today that Tigris, his reed replica of an ancient Mesopotamian ship, had been rescued by an Arab dhow after headwinds and rough seas drove it into the shallows of an island off Kuwait.

He set out from Qurna, Iraq, on November 12 with a multi-racial crew of 10 in an attempt to prove that this type of craft could have been used for open sea voyages. He said today that the vessel was seaworthy.

Concorde converts

Albany, New York, Dec 6.—Governor Hugh Carey of New York State, who for months fought against Concorde landings at Kennedy Airport, announced today that he is sending a 16-member trade mission to London on the supersonic aircraft so that it can get to its work "as fast as possible."

Asean precedent

Kuala Lumpur, Dec 6.—Tan Sri Ahmad Rithauden, the Malaysian Foreign Minister, left for an official visit to Cambodia, becoming the first minister from an Association of South-East Asian Nations (Asean) state to visit all three Indo-Chinese countries.

Yachtsman's escape

Tel Aviv, Dec 6.—Mr Eric Anderson, aged 42, a Scottish yachtsman, and his son John, aged 12, swam ashore through heavy seas after their sailing boat capsized near here at the end of a voyage from Athens.

Egypt expels 270 diplomats of hard-line Arab states

Cairo, Dec 6.—Egypt today gave diplomats from five hard-line Arab states until midnight to leave the country. Riot police cordoned off the embassies of Syria, Iraq, Libya, Algeria and South Yemen.

The Syrian Embassy staff was to leave first, followed shortly afterwards by 60 Algerian officials. A total of 270 diplomats from the five countries left with their possessions.

Egypt also directed its own diplomatic staff in the five countries to return home. Diplomatic sources said that Egypt was considering restricting extra-diplomatic relations with the Soviet Union, such as educational and cultural ties.

The Egyptian move appeared to throw water on the forthcoming visit to the Middle East by Mr Cyrus Vance, the United States Secretary of State, to seek Arab support for the peace initiative of President Sadat of Egypt and his call for preliminary peace talks in Cairo.

Mr Butros Ghali, the Egyptian Foreign Minister, told reporters that despite the diplomatic break, the "door is open" for Syria and the Arab states to abandon their planned boycott of the Cairo conference.

But he added that he had given up waiting for such a move and that the starting date for the summit had now been formally set for tomorrow week, in expectation that only Egypt, Israel and officials from the United States and the United Nations would attend.

Egypt's move was officially explained as a reply to a "freeze" in diplomatic ties with Cairo decided at the summit of the hard-line Arab states in Libya.

Western diplomatic sources, however, noted that the hard-line decision was a moderation of earlier demands by Libya and other radicals for an outright cut with Cairo. They suggested that the summit declaration was merely a catalyst for a diplomatic strike already planned by Cairo.

The diplomats said that the move might have been intended to prod Syria into choosing between a negotiated settlement with Israel and the "rejectionist" line.—AP.

Surge of illegal immigrants into US

From David Cross
Washington, Dec 6

The American law enforcement authorities are intercepting only 6 per cent of the heroin and 13 per cent of the marijuana estimated to come into the United States from Mexico.

They have been slightly more effective in controlling the increasing flow of illegal immigrants, believed to total about 2,800,000 a year. Of those about a third are caught and sent back.

These are some of the disquieting findings disclosed in a report to Congress just published in Washington by the Comptroller-General under the title "Illegal Entry at the United States-Mexico Border."

According to the report, nearly 90 per cent of the heroin and three-quarters of the marijuana reaching the United States come from plants grown in Mexico. Of the eight million illegal immigrants believed to be living in



An angry Japanese commuter shouts out in protest against a railway workers' go-slow, which badly disrupted traffic into the capital. Later, some commuters stoned trains and station staff.

Vance visit to Syria to 'facilitate talks'

From Patrick Brogan
Washington, Dec 6

Mr Cyrus Vance, the Secretary of State, has been invited to visit Damascus next week during his Middle East trip. He will press the case for President Sadat's diplomatic initiatives, and will, in effect, mediate between Egypt and Syria.

In the past, the Americans have concentrated upon mediating between the Arabs and Israel.

United States sources said that Mr Vance had virtually no chance of winning short-term support from Syria for President Sadat's latest move, breaking diplomatic relations with the hard-line Arab states, including Syria, has once again caught the United States by surprise. For the third time the Egyptian President has acted without consulting the United States first and Mr Vance admitted at a press conference this morning that the American role had changed.

"In the past," he said, "when there was no movement, our proper role was to take the initiative in stimulating new ways of acting and thinking. Today, the leaders in the area are boldly moving forward and our proper role is to support their progress and help broaden it to all fronts."

Mr Vance said that America's role was to facilitate dialogue between the two sides. He added that Middle Eastern leaders may wish the United States to play a more direct part at a later stage.

The Americans consider it a good sign that President Assad has agreed to see Mr Vance. There is a feeling that the Syrians are less intransigent than their public statements suggest and, notably, they are more reticent than the other "rejectionist" Arabs.

If Mr Vance can persuade Jordan to enter into the procedure begun by President Sadat, not necessarily by sending a delegation to the Cairo conference but indirectly at first and then more directly, then Syria would be seriously isolated.

This is presumably what President Assad is worried about, and there is some concern here that Mr Sadat is pushing him too hard, too fast. Given time, it is suggested, he might find a way to return to the fold, bringing the Palestinians behind him.

After some hesitation, the United States has decided it must give President Sadat every support. Last week President Carter spoke out for the Egyptian leader's initiative and now Mr Vance is to travel round the Arab world, putting the Egyptian President's case for him.

Moscow, Dec 6.—Mr Philip Hobb, American Under-Secretary of State left Moscow today after two days of talks with Soviet officials on the Middle East. Reliable sources said he met Mr Gromyko, the Soviet Foreign Minister.

American spokesmen refused to give any details of the talks. Hobb was believed to have spent most of his time with Mr Mikhail Sytenko, head of the Foreign Ministry's Middle East section.—Reuters.

Thatcher praise for Titoist system

From Dossa Trevisan
Belgrade, Dec 6

Mrs Thatcher, the leader of the Opposition, concluded her visit to Yugoslavia today with a two-hour meeting with President Tito, which convinced her, she told a press conference, that the Yugoslav form of communism was more acceptable than any other she had seen.

She was also reassured about Yugoslavia's intention of maintaining its independence and special position in foreign affairs, which, she said, was also in the interest of the West.

Although at first she seemed to mention specific subjects she had discussed with the President, at the end of the week's conference she said that they had touched upon East-West relations, détente, the Belgrade follow-up conference to the Helsinki accords with particular emphasis on human rights, and the role of Yugoslavia in the Balkans.

Mrs Thatcher found President Tito very fit and very alert and she said she hoped to attend his hundredth birthday party in Belgrade.

She also spoke of her impressions after inspecting a factory near Belgrade and talking to Yugoslav politicians about Yugoslavia's unique system of self-management and economy based on social ownership and competition.

The Yugoslav experiment, she said, was a great deal better than anything she had seen in five communist countries, and the idea that enterprises must compete was in, her opinion, better than nationalization and state ownership which created monopolies like those in Britain.

It was a remarkable system, she said, although Mrs Thatcher was at pains to emphasize that she preferred private enterprise, was worthy of interest and offered greater possibilities than the standard communist ones.

Like almost all Western politicians who have visited this country in recent years, Mrs Thatcher stated that Yugoslavia's independence was important not only to the Yugoslavs but to the West also.

Asked whether the British delegation was being sufficiently specific about the fulfilment of human rights undertakings, she said that some Western delegations were more specific than others but that they were all acting together in putting forward certain positive proposals.

Mrs Thatcher listened yesterday to the speeches by various delegations at the Belgrade follow-up conference reviewing the Helsinki agreement. She has been a firm champion of human rights and the visit to the conference centre provided her with an opportunity to see whether the West was living up to its ideals or giving in to the East.

Yesterday, she refused to speak to the press about her impressions on how the conference was going. At her press conference today she said that, after listening to yesterday's speeches, she was happier about the conference and more optimistic of the effects it will have in the long term.

Human rights, she said, must be kept perpetually alive as an issue and although sometimes too much is expected from such conferences she felt that world public opinion will have some beneficial effect on the Soviet block states.

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Mrs Thatcher listened yesterday

S African police station bombed

From Our Own Correspondent
Johannesburg, Dec 6

For the third time in two weeks, a bomb exploded in the Johannesburg area. A passing motorist cut by glass was the only casualty in the latest bomb attack. It went off early today at a police station at Germiston, south of the city.

The explosion damaged a store building, broke windows in police married quarters and badly damaged two police vehicles.

The bomb is believed to have been concealed in a shoe polish tin which was in a shopping bag propped against the wall of the police station storeroom. It was seen by a woman who works at the police barracks 15 minutes before it went off.

Residents said the blast was heard three miles away.

On November 24, a bomb exploded in the crowded Carlton Centre, in the heart of Johannesburg, injuring 19 people. Six days later a blast wrecked a guards' van standing at Verwoerd railway station.

Feelings of hostility face leader of latest 'independent' homeland

From Nicholas Ashford
Mbabanga, Dec 6

Chief Lucas Mangope, who was today elected the first President of the newly 'independent' state of Bophuthatswa, is a man who arouses strong and differing emotions among his 2,400,000 people.

For some, particularly the tribal chiefs and people living in rural areas, he is a totally alien figure who believes that independence is the best way of safeguarding Bantu interests against white domination and the larger black tribes in South Africa, such as the Xhosa. They say he is sincere in his desire to forge an independent and prosperous nation free from racial discrimination.

To others, particularly those who reside permanently outside Bophuthatswa (they will lose their South African citizenship because of the territory's independence), he is guilty of sacrificing the long-term interests of South Africa's 18 million blacks.

In particular, he is criticized for going ahead with independence without first achieving satisfactory agreements with South Africa on the thorny issues of citizenship and land consolidation. Chief Mangope has said he intends to continue to seek more land from South Africa and many of his subjects will reserve final judgment on whether they see whether he succeeds.

Surprisingly, Chief Mangope says that he sympathizes with those who have called him a sell-out. "I don't blame anybody for being totally opposed to considering even remotely the idea of independence," he said recently. But he argues that only by opting for independence can he successfully develop his country and "liberate" his people from Africa's oppressive racial policies.

Chief Mangope, who is 53, became Chief Minister of Bophuthatswa in 1975. In 1976, he was elected to the National Assembly of South Africa. He is a teacher before going into tribal politics.

Devout, authoritarian and rather humorless, he has been criticized and has a strong dislike for the South African press, which has generally been hostile

Mrs Bhutto regains newspaper in Karachi

From Our Correspondent
Islamabad, Dec 6

In a volte face, the Pakistan martial law regime today decided to concede to Begum Nusrat Bhutto, wife of the deposed Prime Minister, the right to publish the Urdu daily newspaper *Musawat* in Karachi. Closure of the newspaper had led to angry protests by journalists, leading to hunger strikes and arrests at Karachi in the last two days.

The Pakistan Federal Union of Journalists and the All-Pakistan newspaper Employees Confederation had earlier protested against the Government plan to publish the newspaper under new management and a new editor. They want all employees of *Musawat* restored to their jobs.

Officials of the two unions began a hunger strike on Saturday to press their demands. Twenty-five hunger strikers, including the presidents of the two unions, were arrested during the past 72 hours.

Reports from Karachi this evening said the journalists hunger-strike was continuing until all arrested journalists and press workers had been released.

Khan Abdul Wali Khan, president of the outlawed National Awami Party and former leader of the Opposition in the last National Assembly was released on bail today for the first time since his arrest in February, 1975 on the order of Mr Bhutto, then the Prime Minister.

Fourteen others, accused of conspiracy with him, were also released on bail, but 25 others in the case are still detained.

Mr Wali Khan's release, together with that of other senior leaders of the National Awami Party, though technically still temporary, should have a big impact on Pakistan's political scene. Despite the limitations imposed on political activity by the martial law regime, they will be able to reestablish their political contacts immediately.

IPI concern: The International Press Institute has cabled General Zia, the Pakistan martial law administrator, expressing its concern at the reported arrest of journalists on hunger strike. The cable added: "May we say that the statement by the journalists' union that their action was intended to give support to ex-Prime Minister Bhutto or his family is our understanding also."

Addis Ababa road to port 'hit by Afar guerrillas'

Nairobi, Dec 6.—Secessionist guerrillas of the Afar minority of eastern Ethiopia have struck at the key supply road between Addis Ababa and the port of Assab, the Somali Mogadishu radio claimed last night.

Ethiopian Army positions at Harawo and Burie, protecting the road, came under attack and lost large quantities of arms and ammunition to guerillas of the Afar Liberation Front (ALF), the radio said. The front also claimed to have destroyed a military communications post and an ammunition dump at Aisat, close to the Djibouti border.

Diplomats in the Ethiopian capital said an ALF sabotage attack on two bridges on the same road last month had obliged the Ethiopians to revert to moving goods only in heavily protected, slow-moving convoys between Assab and Addis Ababa.

Five Britons who died in hijack crash are named

Kuala Lumpur, Dec 6.—Five Britons were among the 100 people killed when a hijacked Malaysian Airlines System (MAS) Boeing 737 airliner crashed on Sunday night, the British High Commission said here today.

They were Mr Richard Sherrington, aged 37, head of the courses unit at the British Council; Mr Anthony Organ, employed by the Beecham Group; Mr J. P. Pary, a businessman; Mr J. Matthews, an accountant; and Mr H. Godfrey.

The aircraft was on an internal flight from Penang to Kuala Lumpur when it crashed on the Johore coast.

The 93 passengers and seven crew may have to be buried in a mass grave because of difficulties in identifying the bodies, blown to pieces when the aircraft exploded in mid-air. The Malaysian Government announced today that the re-

mains of those killed would not be returned to relatives. Instead the Government itself would arrange burial.

Associated Press reported off a 24-hour protest strike planned for next Tuesday after the Kuala Lumpur Government promised immediate steps to tighten airport security in Malaysia and invited a MAFPA representative to sit on the National Civil Aviation Security Committee. Haps had protested over "lax" security at the airport.

Official investigations continued into the crash today, but the identity of the hijackers and their motives were still unknown. The aircraft's flight recorder, which might provide some clues has not yet been found.

Early reports that the hijackers were members of the Japanese Red Army were incorrect.—Reuters and Agence France-Press.

Efforts to save baby fail

New York, Dec 6.—Mrs Rosemarie Maniscalco, the pregnant Brooklyn housewife who lapsed into a coma on November 24 after a cranial haemorrhage, died today despite efforts by doctors to save her and her unborn child.

Doctors had not expected her to survive but tried vainly to keep her alive on a respirator in the hope of saving the child. She would have had to live at least another month to deliver the baby.—UPI.

Key role for new party in Australia poll

From Our Correspondent
Melbourne, Dec 6

Mr Gough Whitlam, the Opposition leader, said today that the Australian voters were becoming disenchanted with the two-party system. "They think that the two major parties between them, Labour and Liberal, have not realized their hopes and expectations."

They are looking for an alternative at least to the extent of

showing dissatisfaction with the two major parties. These were the people who would vote for the new party, the Australian Democrats, he added.

Both he and Mr Fraser, the Prime Minister, are trying to attract the preferences of supporters of the Australian Democrats in the election on Saturday. If the polls are right in estimating their numbers, it seems likely that their preferences will decide the result.

Mr Whitlam said today that he thought the Australian Democrats would be crucial in the next election because it was likely that there would be one or two Democrats in the Senate after this one.

It was a direct admission by Mr Whitlam after a similar one by Mr Fraser yesterday that the Democrats are a powerful political force. Previously both major parties had tended to disguise them as a flash in the pan.

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SPORT

Cricket

Indians sorry to lose but happy to see the game itself win

Brisbane, Dec. 6.—Australia scored a thrilling 16-run victory over India in the first Test match here today, providing a well-deserved boost for traditional Test cricket. A crowd of just under 4,000 roared in delight as India were dismissed for 324, before Australia, led by the ever-reliable Steve Rixon, had him caught behind.

A fiery six-over spell from Thomson, which he took over 100 runs, gave Australia the upper edge. Mohinder Amarnath (47) and Viswanath (35) had shared valuable partnerships with Gavaskar.

The wicketkeeper, Kirman, lived dangerously, but his valuable 55th Test India past 300 and in a great way. The first Test series, Bobby Simpson, the captain, who was recalled to the Test arena after the defection of Australia's leading players to Kerry Packer's series, thought Australia would win, but there were one or two anxious moments.

Little Sami Gavaskar provided most of the problems for the Australians today as he engineered India's brave rightback by scoring 113 in 220 minutes. The Indians, who began the day at 51 for one, had reached an encouraging 248 for five when Gavaskar was dismissed after scoring his first century against Australia and his 11th in Test cricket.

The feeling of many players, officials and spectators here after the first day's play was summed up by India's captain Bishan Bedi: "We're sorry we lost, but we're glad that cricket has won."

Bedi, who fought hard in the closing stages in an attempt to prevent the first Test from being the last on tour, added: "When we arrived in Australia we knew we had no chance of keeping Test cricket alive, and I think today's Test has succeeded in doing that."

The Indian captain was unhesitant on 26 and did his best to prevent Gavaskar from scoring a century in the first Test. But the inevitable happened and Gavaskar was dismissed after scoring his first century.

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Ideal chance ignored by all but Roope

Faisalabad, Pakistan, Dec. 6.—Graham Roope belted himself to a hundred in 31 hours as England's second match of their Pakistan tour against United Bankers drifted quietly to a draw on a lifeless pitch here today.

After Roope had made 102 with 14 fours and a six, Michael Bevan declared England's second innings at 165 for three.

This left United Bankers at 240 in two hours and, when the captain called a half-hour tea, the players were 38 for two.

England needed eight days before the start of the Test series against Pakistan, but there were no problems for the English.

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Racing

Records give pointer to Cup chance of Tip the Wink

By Michael Seely
Tip the Wink, Par Taylor's 'Arkie' Challenge Trophy winner, who proved his worth when winning the 1977 Challenge Trophy, is a favourite at 5-2 with William Hill's for the £10,000 Massey Ferguson Gold Cup at Cheltenham on Saturday.

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Levy Board should withdraw aid from 18 courses, owner urges

By Michael Seely

In a hard-hitting and forceful speech at the Gimcrack dinner last night, Julian Wilson, the joint owner of this year's winner, Tumbledownwind, proposed his solution for the ills that beset the racing industry. The BBC television racing correspondent's idea is the withdrawal of all Levy Board aid from 18 of the 37 racecourses in Britain.

First of all, Mr Wilson said, racing could expect no help from the government. No politician in his right mind would expect to win votes by staging a campaign in favour of the return of more of the taxpayer's money to horse racing. He said that while he respected the work done by such organisations as RRIC, RICC and the House of Commons racing committee, they could achieve nothing.

Tumbledownwind's former owner went on to pay a tribute to the Jockey Club, who he said, were a hybrid for integrity. Mr Wilson believed that the British public still preferred honest men making the occasional mistake to dishonest "professionals" with their downright dishonesty.

But he did not believe that this self-interest was the reason why he would not revolutionise British racing, which in his opinion, needed to be done.

Mr Wilson suggested his proposals to Sir Desmond Plummer, the chairman of the Levy Board, who controls the purse strings of racing. Mr Wilson's contention was that the board was spending too much money on the salaries of its members and on the salaries of its staff.

He proposed that legislation should be passed to enable these salaries to be cut by 50 per cent. He said that all other help should be withdrawn.

The remaining 18 courses would then receive the full benefit of the Levy Board funds. He suggested that there should be no more than one flat race meeting a day—except on Saturdays—plus one National Hunt fixture. The result, in his view, would obviously be much richer prizes at the subsidised fixtures, thereby enabling British owners to keep up with foreign competition.

Mr Wilson's theories are like a breath of fresh air. But are these currents flowing in the right direction? First of all, no one has yet decided what racing is all about. Is it merely a medium for gambling, or is it a sport? If it is a sport, it should be treated as such. If it is a gambling medium, it should be treated as such.

For make no mistake, the unsubsidised courses with the few exceptions of those who could survive on their own—would be a disaster for the industry.

On the other hand, it is racing that the English thoroughbred racing industry has been in a state of decline for many years. It is a state of decline that is not only a disaster for the industry, but also a disaster for the country.

The Jockey Club and the Levy Board are already taking steps to deal with the decline. They are taking steps to deal with the decline by cutting salaries and by withdrawing aid from 18 courses.

But Mr Wilson's proposal is a step too far. It is a proposal that would lead to the complete collapse of the racing industry. It is a proposal that would lead to the complete collapse of the racing industry.

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SECRETARIAL

THE BURLINGTON MAGAZINE

A high-contrast, black and white photograph showing a close-up of a person's face. The image is heavily shadowed and textured, with the right side (viewer's left) being mostly black and the left side (viewer's right) showing a grainy, light-colored surface. The overall effect is abstract and dramatic, with no clear features visible.

December 1977

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Katie Stewart offers some suggestions to help you to cope with the Christmas cooking and brighten up the festive table this year

Choosing between flesh and fowl

If your choice is a frozen bird this Christmas remember that all poultry must be completely thawed before cooking. Turkeys can take a considerable time to do this, so don't be caught out by not starting soon enough. A large bird of over 12lb will take at least 48 hours to thaw in a cool larder; allow 24-30 for one up to 12lb, even a large chicken or good capon of about 6lb will require up to 24 hours. Remove from the box or carton but leave in the freezer bag to prevent drying out, and as soon as the flesh is pliable remove the giblets from inside, as this aids thawing. Do not switch poultry from one temperature to another, leave it in a steady, cool temperature—the garage is excellent. When completely thawed (you can tell by the soft feel of the flesh and there will be no signs of ice crystals in the body cavity) pat dry with paper towelling, remove moisture and refrigerate (if possible) until ready to cook, for it is now highly perishable and cannot be kept for long.

It is essential to thaw all poultry for the simple reason that the flesh must be completely cooked and any

still frozen areas might be in danger of not cooking properly. A joint of pork, for the same reason, must be thawed before cooking, but cooks have different opinions with regard to beef or lamb. My own feeling is that all meat should be thawed, then roasting times can be as for fresh meat. On good authority I am told that joints of meat on the bone will successfully cook from frozen—the bone acts as a heat conductor, but boned and rolled cuts should never be because of the density of the joint, nor should any cut of meat over 6lb in weight, since it is difficult to calculate the cooking times and prevent the outside from being overcooked before the inside is thawed. Steady, slow thawing times give best results for meat so allow a period of 24-48 hours in the refrigerator. An excellent tip where pork is concerned is to score the rind when the joint is still frozen and firm.

Christmas could be the occasion to go for a good sized cut of beef when you can plan on serving it for more than one meal. A joint on the bone has an improved flavour and it roasts better, too. If you have this in mind for 1978 you must select a joint of 4lb or more in weight, anything smaller is difficult for a butcher to cut and will have too high a proportion of bone

to meat to be satisfactory.

A prime cut of sirloin or wing ribs of beef on the bone would be marvellous, but these have a good natural covering of fat and will be more tender as a result. If you set the joint so that the fat is uppermost it will automatically baste the joint as it cooks and will provide you with delicious drippings for the gravy. The traditional method of sealing the outside in a hot oven gives a lovely flavour and is the best method if you like your meat to serve it cold because the flesh stays moist and cuts beautifully. I find a cooking time of 15 minutes per lb for a large joint on the bone is just right.

First impressions count for a good deal and any guests would admire a glazed joint of gammon or bacon. You can cut out the traditional overnight soaking if you bring the joint to the boil from cold, then pour away the water and recover with fresh cold water. Add a bay leaf or sprig of rosemary and do not forget an orange or onion stuck with a clove for flavour. Bring to a simmer, cover and cook gently allowing 30 minutes per lb. To finish off peel the rind away and spread the fat with French mustard and then coat generously with demerara sugar.

Stand the joint in a baking tin and crisp off in a hot oven (400°F or gas 6) for 15 minutes. Add a tablespoon of water to the baking tin so that any glaze that drips off will not caramelize on the hot tin. If you prefer the traditional crumbed finish remember that you will get extra piquancy if a pinch of cinnamon or ground allspice and dry mustard is mixed with the crumbs. Let the joint cool completely and give it a glaze of egg white and then in sugar. Or, if you like, glaze the surface with pieces of pineapple fixed with a clove, or surround it with canned peach halves filled with cranberry or redcurrant jelly.

For a turkey a slow steady roasting temperature gives the best results and keeps the flesh tender and succulent. Make sure that your bird is properly trussed, with the wings twisted forward and under and the legs and drumsticks tied down close to the body so they stay in place, otherwise they will rise up during roasting and dry out in the oven. I usually use any butcher's thrads and sew my bird tightly with my own long cruising needle and a length of string.

This year try roasting your turkey with a covering of butter, muslin and a layer of kitchen foil. You can baste

a bird beautifully through muslin and it is a particularly good method for any turkey that you want to serve cold because the flesh remains very moist and at the same time takes on a magnificent golden colour. Rub the breast of the bird with salt for a crisp skin and then spread liberally with soft butter—about 2-3oz. Cover with a piece of double thickness butter muslin, cut the right size to drape over the bird and protect it completely. Set in a slow oven (325°F or gas 3) for the whole of the roasting time and allow 25 minutes per lb up to 12lb, and 20 minutes per lb for a bird over 12lb. Baste the bird with the hot butter and drippings in the tin without removing the muslin. The muslin soaks up the butter and holds it over the bird, gradually letting it run back into the tin. When the muslin is dry, baste again—once an hour should be about right. Leave the covering in place until the very end, it will become quite dark in colour but when you lift it away, the turkey will be golden underneath.

When your roast joint of beef or turkey is finally cooked turn off the oven heat (or take it out) and allow to stand for at least 15 minutes so that the flesh has a chance to settle and it will carve much better.

Quick recipe

A good bowl of hot broth, particularly if it is nourishing enough to make a light meal, can be very comforting and homely when there is a surfeit of rich foods around. Scotch broth is nice because there are bits in it to eat and with a buttered soft roll or crusty bread it would make an excellent in-between meal at Christmas.

Scotch broth

Serves 6

- 1lb neck, breast or flank of mutton or lamb, or a beef bone;
- 3 pints water;
- 2 level teaspoons salt;
- 2oz dried peas, soaked overnight;
- 1oz pearl barley;
- 1lb prepared diced vegetables—carrot, turnip, leek and at least 1 onion for flavour;
- Freshly milled pepper;
- 1 tablespoon finely chopped parsley.

You will find one breast of lamb is just about the right amount for this soup. Rinse the meat under cold water, cut into two or three pieces and place in a good sized saucepan. Add the water, salt, and the drained soaked peas. Put the pearl barley in a cup, pour in a little boiling water to scald it (takes away the cloudiness), stir and drain. Add to the pan and bring the soup to the boil.

Once boiling skin the liquid well and lower the heat to a simmer. Add the diced vegetables. At this stage all root vegetables go in and green vegetables are reserved for later—like the green of the leek, or any shredded cabbage—and if you prefer to use frozen peas in place of dried, these would go in later, too. Cover the pan and let the soup simmer for two hours. Lift out the meat and slip out the bones. Discard any skin or fat and return the chopped up meat to the soup. Add the shredded green of the leek and any frozen peas, if used. Cook for a further 10 minutes.

Stuffing

Don't feel you have to stuff the body cavity of your turkey when you could find that stuffing in the neck and is quite sufficient. It is easier to calculate accurate roasting if the body is not filled to capacity with a stuffing which tends to extend cooking times. Try putting a cut-up apple, orange or lemon inside the bird to flavour and go for something a little unusual to put in the neck end only.

1 medium onion;
6oz medium oatmeal;
3oz shredded beef suet;
Salt and freshly milled pepper.

serve a bread sauce, too, if you choose this one. Peel and finely chop the onion and add to the oatmeal and suet. Season with salt and pepper.

Lemon and parsley stuffing

- 4oz butter;
- 4oz white breadcrumbs;
- Finely grated rind of 1 lemon;
- 4 tablespoons finely chopped parsley;
- Pinch dried thyme or marjoram;
- Salt and freshly milled pepper.

This stuffing is really green with lots of parsley and is very light because it's bound with melted butter. Measure the breadcrumbs, lemon rind and herbs into a basin. Using a fork stir in the melted butter and mix to a moist crumbly stuffing.

Basic recipe

Savarin au rhum
In itself a savarin is quite plain, the flavour comes from the sweet rum syrup used for soaking so that it is completely saturated and deliciously moist to eat. With a fruit and whipped cream filling this would make a marvellous dinner party dessert. As a bonus it keeps moist for several days in the refrigerator. Or the baked but unsoaked savarin can be frozen, then reheated in a moderate oven until lukewarm and treated as freshly baked.

- Serves 6-8
- 6 oz plain flour;
- 1 level teaspoon salt;
- 1 oz fresh yeast or 2 level teaspoons dried yeast and 1 level teaspoon sugar;
- 6 tablespoons milk;
- 2 large eggs;
- 2 oz butter, melted.

For the soaking syrup
8 oz castor sugar;
1 pint water;
Juice of 1 lemon;
3 tablespoons rum.

Choose a ring mould that holds about one and a half pint capacity and butter it well, fingers are best for this since they get into all the corners which can be important if a fluted mould is used. Spoon a little flour into the mould and shake it all over to coat, then turn upside down and knock out excess.

Sift the flour and salt into a mixing basin and set in a warm place. Blend the fresh yeast with the warm milk, stir in the beaten eggs and pour into the centre of the flour—do not mix, just sprinkle a little flour on top. Cover with a cloth and leave in a warm place for about 20 minutes, or until the yeast begins to break the surface and looks spongy. If using dried yeast mix in a bowl with the sugar and hand hot milk. Cover and set aside until frothy—about 15 minutes. Then mix in the eggs and add to the sifted flour.

Mix the ingredients by hand or with a wooden spoon. Add the melted butter and beat well to a soft glossy batter. Pour the batter into the prepared ring mould and spread evenly. Put to prove inside a baggy polythene bag until the mixture has doubled in size or has almost reached the top of the tin. Bake above centre in a hot oven (400 deg F or gas 6) for 20-30 minutes—test it like a cake, by running a skewer through the centre and if it comes out clean the savarin is ready. While the savarin is cooking prepare the syrup. Put the water and sugar into a saucepan and stir over low heat to dissolve the sugar. Bring up to the boil and simmer gently for 8 minutes to concentrate the syrup. Draw off the heat and add the lemon juice and rum.

Turn the baked savarin out of the tin and quickly wipe out the mould with a clean cloth. Pour the hot rum syrup into the savarin mould and replace the savarin so that it floats in the syrup. After a few minutes the savarin will have absorbed the syrup like a sponge and settled back into the tin. Turn out onto a serving dish and leave in a cool place until ready to finish off. Fill with a mixture of whipped cream and fruit—fresh, or tinned pears or peaches, well drained and sliced, mandarin oranges or stoned cherries are nice. So are halved and seeded grapes, orange segments or diced melon and thawed raspberries from the freezer. Reserve some of the fruits for a decoration round the top. You can fill the centre with fruits and serve whipped cream separately if you wish.

so as not to break up the herring. Season well with salt and pepper and chill. Serve the herring salad on a bed of lettuce leaves and garnish with segments of hard boiled egg.

Note: You can buy or cook your own herring rollmops. They are very easy and quick to prepare. In fact, your own herring rollmops served with wedges of lemon, brown bread and butter and a green salad would be another alternative buffet dish to bear in mind. Rollmops must be cooked at least 24 hours in advance because the herring firm up as they cool in the liquor and are easier to handle. Find a suitable sized casserole in which to pack the herring tightly so they keep a good shape.

Ask the fishmonger to clean fresh herring for you, slitting them down the belly. Open each one out and press down the back to loosen the bone. Then when you turn them over you should find the bone pulls out quite easily. Snip side fins away with scissors. Season the inside of each with salt and pepper and roll up tightly, packing them into the casserole as you do each one. Combine equal parts malt vinegar and water—about 1 pint is about right for quantity, and pour over the herring. Add a bay leaf or slice of onion for flavour. Cook them in the covered casserole in a moderate oven (350 deg F or gas 4) for 45 minutes. Keep in the liquid overnight until quite cold so that they absorb the flavour. Serve by lifting out of the liquid.

Car the herring into bite sized pieces, and mix with the prepared beetroot, potato, onion, and apple—sometimes a chopped up dill pickled cucumber or a few gherkins can be added. Fold in the soured cream and mayonnaise gently

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Car the herring into bite sized pieces, and mix with the prepared beetroot

Bernard Levin

This dangerous folly of rattling on Europe: what has happened to honour?

Mr Christopher Tugendhat, one of the British Commissioners of the EEC, recently delivered a most interesting speech on the nature and achievements of the Community, which has given me cause for reflection. And since I think it may give others cause for reflection, too, I shall summarize his remarks before going on to make my own.

He first drew attention to what is obvious enough, yet cannot be too often repeated: one of the most remarkable and heartening aspects of the post-war world has been the reconciliation between France and Germany. That, of course, was largely due to the leadership of their countries offered by Adenauer and de Gaulle, but it was within the framework of the Community that it took place. The Customs Union of the EEC may not be as remarkable an achievement as that, but it is sufficiently significant to be worth remarking upon, as is the common negotiating position so frequently achieved by the Nine in international affairs. Mr Tugendhat also points the contrast between the ruined and ravaged state of Europe at the end of the Second World War and the truly astounding comparative prosperity that now reigns throughout the Community, so that there is already a queue of three nations—Greece, Portugal and Spain—all of which have recently abandoned or overthrown dictatorships, to join the EEC.

An even greater contrast than that between present-day and immediate post-war Western Europe is that between the EEC and most of the rest of the world. Mr Tugendhat points out, the principal difference is in the democratic political system which exists within the EEC and that does not exist in so many countries elsewhere. (Indeed, a glance at a list of the world's nations reveals that

something like a quarter of the globe's pitifully small number of full democracies are to be found within the EEC.) He does not, of course, claim that the EEC nations are democratic because they are in the EEC, but he can legitimately declare that.

One of the great and guiding insights of the Founding Fathers—of men like Robert Schuman, Alcide de Gasperi, Jean Monnet and Konrad Adenauer—was their recognition that if leading democratic nations of Europe dared to transcend their ancestral rivalries, and to enter an entirely new relationship, in which each brought the best of its individual traditions to bear upon the construction of a greater whole, then, in addition to eliminating the prospect of armed conflict between them, those nations would also immeasurably fortify the individual freedoms and rights which each of them cherished.

And he goes on to draw the correct conclusion: What, however, the Founding Fathers failed to anticipate was that while their policies would be rewarded with success, the attempt of others outside Western Europe would all too often meet with failure. . . . We must show that freedom and democracy can be achieved in practice on a lasting basis. We have to show that this can be done more easily and effectively when proud nations are willing to forget ancient animosities and to cooperate with their neighbours.

Now I did not come among you today merely to act as fagelman to Mr Tugendhat, or even to the EEC. I have something of my own to add. And that something stems from the contrast between the ringing effect

of Mr Tugendhat's words, though he would hardly claim any great originality for the view he put forward, and the miserable, cowardly and frequently shifty attitude to the EEC displayed by the British Government.

Britain is a member nation of the EEC. What is more, he people voted her into the Community by a majority of approximately seven to three. Recent opinion polls suggest that that majority has, at any rate temporarily, dwindled or even vanished entirely. And the fault must lie with the Government that claims to be acting as the representatives of a loyal member-state of the Community, but has in fact virtually washed its hands of nothing more admirable than party-political grounds, of its duty to see that Britain's membership becomes and remains a living reality.

Mr Callaghan—and Mr Healey, and Dr Owen, and even Mrs Williams—have all attempted to put the case for the EEC before the British public and keep it there. Nor do they do anything to counter the persistent

I have inadvertently done an injustice to Messrs Trevin Coplestone, the firm responsible for the physical production of Harry Golombek's Encyclopaedia of Chess, published by Batsford, which I wrote about last week. I draw shocked attention to the fact that the spine and boards of the book bore neither the title, nor the name of the author (for the publisher's name, so that without the dust cover it looked "like a rather nasty ledger, entirely black and entirely blank". Trevin Coplestone assures me that of the thousands they have printed this was true of only four,

campaign by Labour's left (whose members have no intention of accepting their overwhelming defeat in the democratic decision of the referendum, and among whom the substantial fellow-travelling segment are already opposed to the EEC only because the Soviet Union is to destroy public confidence in Britain's membership altogether. Mr Callaghan, indeed, does nothing even to curb the activities of those Ministers who seem to regard Britain's membership of the EEC, and their own duties in relation to it, as an opportunity to damage the Community and to ensure that Britain is regarded as an untrustworthy member.

You do not have to recall the affair of the tachygraph regulations which, regarded as desirable and useful in themselves by the Government, as well as obligatory on Britain under the terms of her membership, are not being introduced in Britain because Mr Jack Jones and Mr Alan Law have forbidden the Minister of Transport to have anything to do with them; you only have to look at the present poltroonery of Mr

which they had given to Batsford in that condition, as advance copies. Batsford, however, gave one to The Times, which the Literary Editor passed on to me, bearing no indication that it was an advance copy; nor was anything said, either to the Literary Editor or to me, to that effect. I therefore assumed, and I was entitled to, that it was in the condition in which the book would be sold. I am very glad to assure my readers that the professional reputation of Trevin Coplestone stands secure, and I have added another appendix to my forthcoming monograph: Publishers: Their Cause and Cure.

Callaghan, and his Government in general over the direct elections issue. "I am their leader; I must follow them." Thus, Mr Callaghan. But if that is to be his slogan, why did Sir Harold Wilson ever bother to go? As I have said before, changing horses in midstream is a proverbially empty exercise, but changing weasels is much more so. Sir Harold himself rattled on Labour's EEC commitment twice; but when the country had pulled his chestnuts out of the fire for him, he did not rat again. Mr Callaghan, who goes further every day to bear out my description of him as having all of Sir Harold Wilson's worst characteristics with none of the good ones, appears to have devised an entirely new method of rattling, and one which in its character out-Williams Wilson, too. He less member of his party and of his Government do their best to make Britain's continuing membership of the EEC impossible, though he knows and he does nothing to stop Britain's fellow-members from deepening their distrust and even contempt for Britain's attitude. What is more, he knows perfectly well what he is doing: no doubt he takes refuge from the knowledge, in this field as in so many others, by murmuring "Après moi, le déluge". And no doubt he will indeed be safely retired by the time some Labour Prime Minister announces that he is howling to the undoubted wishes of the electorate and setting out to remove Britain from the EEC. But there are those who care more for Britain's interest and Britain's honour than he gives any sign of doing, and if their might give some thought, and even action, to standing up for both.

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Ghana's strongman plays the presidential game

General Acheampong, the military ruler of Ghana, was behaving exactly like a presidential candidate, the American reporter beside me kept saying.

We were at Peki, a remote town where about 3,000 people, including 25 chiefs and sub-chiefs under colourful umbrellas of state, had gathered in a big square beneath the palm trees to honour the general at a durbar.

A small, lively figure in dark glasses, the general walked right round the square, waving a white handkerchief in response to the cheers and shaking hands with the chiefs and anyone else he recognized.

"Pressing the flesh," the American muttered. Traditional drumming in one corner vied with the police band playing excerpts from the Marriage of Figaro in the other.

Security was at a minimum, with the crowd showing great friendliness and warmth towards the general. Posters were displayed supporting union government. "The party system is dead," said one carried by a small girl.

This was the end of a five-day tour of the Volta Region, with durbars every day, and the general has completed similar tours of most other regions. He is certainly campaigning hard to get his union government plan accepted in a referendum to be held on March 30.

The big question is whether he is in fact aiming to be a presidential candidate in the first party elections to be held under a new constitution in 1979. This is repeatedly suggested by his supporters, following the example of Acheampong's first term in office. As the Peki durbar it was part of a prayer made during the traditional libation to please the gods. The general made no public reply.

However, in a written answer to a question that I submitted to him, General Acheampong certainly did not rule out the possibility. He wrote: "If the people whom I represent today as Head of State and Chairman of the ruling Supreme Military Council decide to nominate me as a presidential candidate, fine—I may have to consider such an offer on its merits."

Some critics might feel that it would be an anomalous way of returning to civilian rule, if all that happened was that General Acheampong, Head of State, became Mr Acheampong, President. It would certainly reinforce the suspicions of the professionals that the whole union government exercise was simply a way to "legitimise" military rule.

The idea is also abhorrent to some of the general's supporters. Dr K. Koranteng-Addo, a Ghanaian lawyer and chairman of the committee that reported on what form union government should take, said in a

remarkably frank interview with me that he "shuddered" at the idea of the general standing for election. His committee had rejected proposals for the army to have an automatic role in a future union government, apart from representation on an advisory Council of State; but it agreed that a military man should be free to stand for office if he resigned from the army. However, Dr Koranteng-Addo made it clear to me that his committee had definitely visualized a civilian taking over the government in 1979.

The Attorney-General also defended the practicality of his committee's proposals: people have argued that elections and the working of an elected legislature are not possible without the discipline imposed by party organization—and that party groupings will arise spontaneously anyway.

Dr Koranteng-Addo spoke of going back to old African traditions, and of the lessons that could be learnt from the workings of the councils that advised paramount chiefs. "People go to them as individuals," he said. "There is no institutionalized or recognized opposition, but there is freedom of internal dissent. Conclusions are reached by discovering a consensus, not by divisions or voting."

The political debate in Ghana is taking place at a time of continuing economic difficulties—and is made almost irrelevant by them. The rate of inflation continues to rise: food prices were up 84 per cent in the year ending June. The retail distribution scene is one of chaos, with price controls breaking down and bitter quarrels taking place with the market women—a riot at Kumasi market resulted in the death of a 13-year-old boy.

More and more things do not work. The visitor becomes aware of this in mostly trivial ways: the telephone system rarely puts one through to the person one is calling; the police prevents the race commentary at the Accra Turf Club; luxury hotels run out of cold beer and lavatory paper. But for large sections of the population there is, of course, genuine hardship and deprivation that a fairly general rise in wages has done little to relieve. And for every one there is great frustration.

A university lecturer told me he spent most of his week now not reading or studying, but grousing to himself about the inflated price of the powdered milk his child needs.

However, visiting Ghana can never be a depressing experience. The good humour survives, astonishingly. And Ghana is unique, I think, in its great flow of affection and brotherhood one suddenly becomes aware of.

(Continued)

Kenneth Mackenzie

Maurice Corina looks at the constitutional aspects of the Crown Agents affair

Why no one knows where the buck will stop

Dusty tomes and long forgotten parliamentary papers are now spread across Whitehall desks as constitutional lawyers and civil servants search official records on the Crown Agents for Overseas Governments and Administrations. Everyone is in a quandary, for the organization is not a body corporate and derives no status from statute.

Its history has suddenly become important. Crown Agents and their staff have never been civil servants. They have never controlled voted monies. Even the Fay report on the circumstances which led to their request for state assistance had to be placed before MPs as a House of Commons Return by a procedure carefully vetted by the Attorney General, Mr Sam Silkin.

It is significant that two years ago in an emergency Money-lenders (Crown Agents) Act, rushed through Parliament to avert exposure to £400m of losses through operating as an unauthorized bank, the Crown Agents' protection was declared as not capable of prejudicing any status, privilege or immunity enjoyed.

The origins of the Crown Agents are shadowy and their office is regarded as an emanation of the Crown. In the mid-eighteenth century, the actual term Crown Agent was used for the first time by a Mr Richard Cumberland, who operated a King's Agency in

Nova Scotia. Others were to be appointed in Florida, Quebec and Grenada. However, no reference to duties can be found before 1822, when there was a Return to Parliament indicating the task of procuring materials and handling local funds.

Eight years later, a report by the Commissioners of Colonial Enquiry established a pattern for consolidating various agencies into a joint office to serve overseas territories with the Treasury exercising power of appointment.

But it was not until a leather-bound and gold-embossed book was issued on March 5, 1860, under the title *Treasury Instructions for the guidance of the Agents-General for Crown Colonies*, that there was any codification of the pecuniary transactions they undertook. Treasury supervision was to be limited to action "upon extraordinary occasions". Within three years, the organization was re-styled Crown Agents for the Colonies, and their business of supplying overseas goods and services grew rapidly.

There was some subsequent trouble over freedom to negotiate loans, which led in 1880 to the appointment of a Colonial Office committee to review relations between the Agents and the Government.

The Treasury, by letter dated November 26, 1880, set down that the Agents were "permitted to transact business of all kinds for any colony which might desire to employ them".

A first class row developed, recorded in *Parliamentary Papers* of the Functions of the Crown Agents. During the limited Treasury control was transferred to the Colonial Office. Much business was lost in the Whitehall power struggle.

The next significant development was when Mr Joseph Chamberlain, then Secretary of State for the Colonies, asked all colonial administrators for their comments on the Crown Agents' services, for which fees were paid and which by then included engineering assistance as well as supplying everything from postage stamps to munitions.

Historical records, however, become more relevant to the present constitutional situation when parliamentary papers for 1904 show the Commons calling for a return of accounts for the Crown Agents' services. A motion in the Lords for the appointment of a select committee was rejected. Behind this activity was criticism over the autocratic role of the Crown Agents.

Various criticisms continued and by 1908 there were constant questions in the Commons, forcing the Government of the day to appoint a committee (in pursuance of an undertaking given to Parliament).

Parliament next attempted to exert its authority shortly after the Second World War, when delays in supplying railway trains to Nigeria—needed to clear munitions stockpiles at the infamous ground nuts—came under the scrutiny of the Commons Select Committee on

Estimates. The Crown Agents were asked to give evidence. The outcome was an all-party recommendation that the Crown Agents' office and methods be investigated by the Treasury's organization and methods division.

In the ensuing argument, the Crown Agents first demanded and obtained a compromise, in which a joint Treasury-Crown Agents examination was entrusted to the Agents' nominees. Mr J. J. Lyons, then head of the Lyons tea-shop empire. The unpublished report, did not recommend any change in status, only some internal reforms. The Treasury lost an opportunity to assert its role or to clarify its authority.

In the following years, with their traditional role intact, the Crown Agents became entrusted with immense funds as the process of self-government round the world gained pace and enlarged services to new principals. A basic Joint Colonial Fund was supplemented with a new Joint Miscellaneous Fund and, in essence, were managed as a cooperative, with any profits from their management returned to the overseas principals.

The seeds of trouble ahead were sown by decisions that *Director-General of Overseas Audit Service* should vet the balance sheets of these two funds, but the small office held by the Agents on their own account was audited by the Comptroller and Auditor General.

It is a matter of fact that in 1963 the Director General of Overseas Audit Service refused to certify the Joint Consolidated Fund (previously the Colonial Fund) until proper books were written up. This official audit service was abolished two years later, but by then Parlia-

ment's Comptroller and Auditor General had written to the Treasury about its discovery of significant financial dealing by the Crown Agents, not properly recorded in the Office Fund.

The whole sorry story of the Agents' downfall, and subsequent rescue, has begun, but no one in Whitehall was sure of their powers to act against an unincorporated organization that cherished its independent free status, answering to no one.

In March 1954, the *London Gazette* had announced that Her Majesty had been graciously pleased to approve that the Crown Agents for the Colonies should, from April 1, 1954, be styled the Crown Agents for Overseas Governments and Administrations. This single act would encourage further view that the Agents, while nominated by the Minister of Overseas Development and its predecessor departments, derived their role from the Queen's pleasure.

Mr A. W. Abbott, a former secretary to the Agents, has said that Agents are simply individuals appointed by a minister on terms decided by him or her (Mrs Judith Barr, on being called upon to nominate one, was fortunately, wanted to know more). "Their functions are not anywhere laid down, except inferentially by reference to them in certain colonial regulations, which of course have no application in many of the territories which they serve. In general, the position rests on usage," wrote Mr Abbott in a privately circulated history of his employers.

To this day, there is no statute defining the role and duties of the Crown Agents, though a White Paper was placed before Parliament in April 1976 outlining proposals

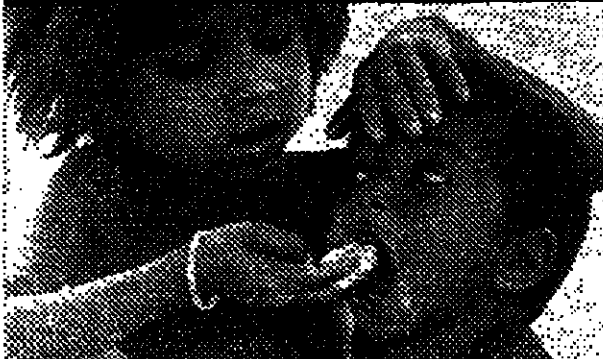
for a constitution. Even the Fay committee of inquiry had to be conducted by analogy, for its preamble admits the Crown Agents are not a company and the committee had not been given authority to demand information, whether documentary or oral, from anyone.

When the Government statement last week declared the Crown Agents' financial disarray to be a failure to apply the normal principles of public accountability, the truth was that there was a longer history than the years 1968-1974 of pervasiveness over the Crown Agents' strange constitution. The Government is consequently treading on egg shells in handling the Fay allegations. Anyone alleged to be in breach of duty, or alleged to be open to litigation and prosecution is entitled to ask by what written constitution they can inspect can their actions give rise to default or malfeasance.

Even if the Government accepts—as it should—to the Commons' clear wish for a Tribunal of Inquiry conducted under the 1921 Act, with Lord Salmon's more recent guidelines in mind, there remains the fundamental problem of whether a non-statutory agency run on cooperative lines for principals outside the United Kingdom is legitimately subject to the orders and directions of Government in the interim of any serious changes in law, status, privileges, or immunity.

Not since the Parliamentary Ombudsman attempted to reach into the Cabinet room in examining the actions of ministers and departments after the crash of the Concorde travel business has there been such an intriguing constitutional question involving Whitehall accountability.

Fuzul's sister cares. But who will provide tomorrow's mouthful?



Fuzul lives in Bangladesh, a country still stricken with the aftermath of famine, where two out of every three infant deaths occur in children under five. Fuzul is one of the lucky ones. Save the Children found him just in time. Now his sister helps to keep him nourished.

Our avowed aim is to help the local people to help themselves. That's why we loaned them seed to grow a new peanut crop, and money to buy new fishing nets. With their eventual surplus produce, they can repay the loan, and we can invest the money in another needy project.

Nevertheless, 36,000 infants died in Bangladesh last year, and we were helpless to help them. The despair of the bewildered parents was heart-rending.

To continue feeding Fuzul, and the 3,000 like him in his area who depend on us for their food every day, we need your help. And we need it now.

You can help us to carry on this fight against disease, ignorance and poverty by giving as much as you can right now, or remembering us in your will.

When you give, they live.

Please accept my donation of _____ (enclose cash/postal order/cheque/Giro No. 5173000)

NAME _____

ADDRESS _____

Accept will be sent if S.A.E. instructions.

Save the Children

The Save the Children Fund, 171 Clapham Road, London SW9 0PT

The Watergate paper passes centennial Post

The paper that gave us Watergate. The *Washington Post*, was 100 years old yesterday. It is not very old, as newspapers go, even in America. The *New York Times* is in its 127th year, and the *Washington Star* in its 125th.

If its most recent moment of glory was Watergate, its moment of greatest infamy was the previous comparable government scandal, the Teapot Dome affair in the 20s, in which the paper's proprietor played a leading part.

That drove the paper to bankruptcy and it was sold at an auction, on the steps of its building, in 1933, for \$825,000. It is worth rather more than that now: the *Post* company owns *Newsweek*, the *Trenton Times* (New Jersey) and four television stations, one of them in Washington.

Its anniversary issue is 72 pages thick, about average for mid-week. Last Sunday's issue, several hundred pages heavy, packed with advertising supplements for the local stores, had a long article on the world shortage of newspaper.

The *Post* has had difficulty adjusting to a world without Watergate. Meanwhile, the *Afternoon Star* has been giving it a good run for its money, for the first time in years, in a loyal attempt to ensure that the *Post's* second century is not passed in pompous complacency.



Schoenberg, OK

Schoenberg addicts, who will doubtless flock to the Royal Festival Hall tonight to hear a concert of his works by the BBC Symphony Orchestra and Singers, may not have heard what happened when he was a guest at an American Society of Composers, Authors and Publishers' dinner in Los Angeles.

He was seated between two Tin Pan Alley song-writers. Conversation was dull until one of them said: "I don't understand your stuff, Arnold, but you must be OK or you wouldn't be here."

Almost Rome from Rome

For people who hanker after a Roman holiday but cannot quite master Roman cuisine could just possibly be the answer. A Cornwell hotelier, Michael Haigh-Gannon of the King's Head at Cirencester, offers the highly-packaged illusion of Roman Britain in the form of short stays at his hotel in what was once, as Corinium Dubonorum, the second largest city in Britain.

Helped by David Viney, director of the local Corinium Museum, Mr Haigh-Gannon has added an assortment of authentic Roman dishes to the King's Head's table d'hôte. Roman holidaymakers buying his two-day £21 full board package can take into potting de pique (fried egg, fried in oil with vegetable juice and wine, sprinkled with ground pepper), *amman exculatam* or *Conchidium de pisa simplici* (lamb casserole using cummin, lovage and wine) or *adulca domestica* (a rather jolly sweet made of dates, honey and nuts).

It took Mr Haigh-Gannon and his wife much experiment to get these dishes right. The fourth-century Roman recipes they used, though admirably translated into English, specified neither quantities nor cooking times.

But in the end, reports my man in Corinium, their taste of Roman England has turned out very tasty indeed.



Any offers? The diary today makes a rare foray into the market place. This car, a 1929 Ford, was one of six sent to Sudan for the use of British government officials. It belonged to the governor of the northern province in 1930 and still has its original engine and is in good overall working order. Its proud owner since 1941 has been Abdalla Abdel

Waham Gassim (see photograph) of Ed Demer, Sudan, who describes himself as a mechanic and electrical operator. "I drive it through the streets and people laugh at me—but they do not know how valuable it is," he says. Now he wants to sell it and has asked the diary if we can help. In a mood of pre-Christmas bonhomie, we have agreed.

Balancing act

A delicate political problem has landed in the non-political lap of Crisis at Christmas, the charity set up 10 years ago by the late Iain Macleod, to alleviate the plight of the single homeless particularly over the Christmas period.

Its panel of trustees, chosen to maintain a scrupulous degree of fairness, includes one MP from the three main parties—Nicholas Scott (Conservative, Chelsea), John Pardoe (Liberal, Cornwall, North) and Reg Prentice (Labour, Newham, North-east).

Two months ago, as the world knows, Mr Prentice gave up his fight against the left-wing in his constituency, and joined the Tories.

Crisis at Christmas is anxious to point out that it does not want Mr Prentice to withdraw his support. "But we would like a Labour man to help restore the political balance," it says.

Those motorists who are normally disinclined to draw up on the slip roads of motorway service stations to oblige hitch-hikers whose cards bear such legends as "Birmingham" and "Bristol" must none the less have admired the initiative of a young soldier walking at Scratchwood service station on the M1. His card read: "Treat yourself to the luxury of a personal military escort."

First course for ex-premiers

Three former Prime Ministers and the sons of two others are turning out, on parade at the Speaker's House tomorrow to receive Silver Jubilee plates. The guests will be: Sir Harold Wilson, Lord Home, Sir Alec Douglas-Home, Sir John Eden and Mrs Winston Churchill.

Mr Edward Heath is too busy signing copies of his book to attend.

The series of plates relating to different aspects of the Queen's reign and depicting the seven PMs who have served under her, are being struck and presented by the Commemorative Collectors Society. Its chairman, Sir Lincoln Halliday, a former Lord Mayor of Cardiff, will do the presenting. If there is to be a Silver Jubilee plate for eminent authors—there is to be one for actors, and another for musicians—some at least of tomorrow's contingent of former Prime Ministers may be summoned for a second course.

Portsmouth and surrounding boroughs are being killed off by the *Post Office* to make mechanised mail sorting easier. The area will be re-born as "Spithead Coast".

هكذا من الاصل



ONLY A TRIBUNAL WILL DO

Given the will of the Commons expressed in a decisive vote, it will be difficult for the Government to resist establishing a public inquiry under the Tribunals of Inquiry (Evidence) Act 1922 into the Crown Agents' scandal.

His own considered statement on the deeply disturbing reports prepared by Judge Edgar Fay, and two others, into the circumstances which led to the financial rescue of this historic and unincorporated agency declared that there had been "a most severe failure of public accountability". Further, the Prime Minister felt the matters disclosed by the Fay inquiry justified the setting up of a new committee, under Sir Carl Aarvold, to assess the nature and gravity of any neglect or breach of duty by individuals which may have occurred in the Crown Agents, the Ministry of Overseas Development, the Treasury, the Bank of England and the Exchequer and Audit Department.

The Government's objections to an inquisitorial tribunal are that it would take too long, two or three years; that three men—one dead—had not appeared before Fay; yet anyone thinking himself liable to possible criminal proceedings could not

be compelled to give evidence that might be self-incriminating—so the superior powers of a tribunal in compelling the attendance of witnesses would to that extent be neutered; that witnesses might be less frank and more guarded before a tribunal than before an inquiry in private; and that a tribunal would have to go over again all the ground already covered by the Fay committee.

But it is quite clear that MPs, who recognize that tribunals with their powers of compulsion should be used sparingly, feel the Crown Agents' affairs raise both matters of public confidence and particular grave questions of behaviour. Sufficient justification for establishing a tribunal can be found in the report of the Royal Commission of 1966 under Lord Justice Salmon and tribunals can regulate their procedure to safeguard individuals' rights, whatever difficulty can be seen. Only a tribunal will have the requisite powers to allay the disquiet of MPs and the public.

It is to the credit of Mr Richard Wood, a former minister who honourably accepted his own departmental mistakes in Monday's debate, that he argued powerfully for an open tribunal. He is previously on record, at the start of the Fay inquiry, in suggesting that

any individuals named—as they were to be, last week—ought to be afforded such an opportunity to reply and to explain their actions.

The Crown Agents' losses and actions are of such a scale and departure from normal standards of conduct as to require further inquiry. Concern goes far beyond that of the hapless Vehicle and General Insurance Company, into which the Agents made one of the many ill-considered investments. One of the two inquiries conducted into V&G took the form of a tribunal covering negligence, impropriety, and misconduct by Crown servants. There was a separate Companies Act investigation under powers which the Fay team used as an analogy.

It is usual for a tribunal to be presided over by a person of high judicial office and there need be no reason for any witness to fear anything other than exposure to the truth. It is commonly held against tribunals that mud flung in the early stages sticks even if the allegations are later rebutted. However, there is, in this affair, no mud, but a prior well documented report. The powers of a tribunal are needed to pursue investigation of some matters further and apportion blame where appropriate.

MR JACK JONES IN THE PULPIT

Speaking from the august pulpit of the Dimbleby Lecture last night, Mr Jack Jones was at pains to adopt a tone worthy of the occasion. It is seldom that anyone gets handed such a quantity of prime television time to do what he likes with. The most memorable Dimbleby lectures (not necessarily the most sensible) have been those, like Lord Goodman's, which urgently worry at a single theme. Mr Jones ranged more widely. He had a theme, developed in conciliatory and statesmanlike tones: it was that trade unionism is basically a valuable and necessary force in our society and that many of the conflicts that it is associated with are avoidable. It was in his lengthy illustrations of this theme that sharper, less lofty, tones sometimes broke in.

Few would disagree with the main argument. The unions have gained many benefits for workers that we now accept as obviously just. When Mr Jones says that fewer strikes would be good for all, all can agree. His rejection of violence on the picket line and his call for strikers to remember that their quarrel is with their employers and not with the general public are pertinent and helpful today. No-one will quarrel in principle with his call for more and better

arbitration as an alternative to strikes. This means, as he says, that the machinery must be expeditious and must command confidence. But as he goes on the uncomfortable impression grows that what he means is that unions should be able to get from arbitration what they might have expected from striking.

The example that he dwells on is, perhaps inevitably, the Grunwick affair and the rejection of Lord Scarman's proposals for a settlement. Elsewhere in his lecture Mr Jones shows the habitual trade union fondness for the word "voluntary". It is clear that he would not expect a union to feel obliged to accept an award from a tribunal set up without reference to itself, and after having insisted from the first that it would not be bound by the tribunal's findings. But when Mr Ward acts in the same way, Mr Jones calls it "industrial sabotage".

As well as commending higher pensions, shorter hours, full employment and an end to racial discrimination, Mr Jones naturally puts in a word for industrial democracy, another principle that everyone can endorse until they get down to the details. He is still for the full Bullock package and professes astonishment that everybody did not see it as a means of "extending a

worker's influence over his working life". But it was not the influence of the worker but the corporate power of the union that Bullock would have strengthened. Many workers are not trade unionists, many unions do not represent the interests of their members at all well.

Mr Jones showed almost no understanding of the real misgivings that are felt about the place of the unions in society today. Of the major problem of undemocratic votes at mass meetings, he merely said rapidly that he was "not against ballots". He did not take up the challenge that the prime minister has repeatedly thrown out to the movement this year—that of how to ensure that free collective bargaining does not mean that "the lion's share goes to the lions". There is no sign that defeat at Grunwick has made him question the determination of the unions to stand by that word "voluntary" and ensure that industrial strength and not the law shall settle disputes in the last resort. These are the questions that Mr Jones might have considered from the pulpit.

We all know that the unions are often useful and benevolent in their actions. What is worrying is their reluctance to accept safeguards against those times when they are not.

KEEPING THE EEC IN MOTION

European summits are judged not only by what they decide but also by whether they prove able to decide anything at all. By both measures, but mainly by the second, the meeting which ended last night in Brussels was reasonably successful. The Community "reaffirmed its desire to progress and its capacity to take decisions", said Mr Tindemans. Britain did not help much by facing the meeting with the fact that direct elections are now unlikely to be held until at least the spring of 1979—disappointment was obvious and wholly justified—but European leaders are nothing if not hardened to setbacks. Work continues anyway.

In two other important though less glamorous areas there was significant progress. The ministers settled the long dispute over contributions to the Community budget, and they also agreed on allocations to the regional fund. The budgetary dispute was caused largely by the declining value of sterling. Britain's nominal contribution was originally set at 19 per cent,

which was roughly Britain's share of the gross national product of the enlarged Community. This was to be reached over a five-year transitional period ending in 1977. But the value was calculated in units of account based on pre-1971 dollar exchange rates. The relative value of Britain's contribution therefore declined with the pound, so that by this year West Germany was arguing that Britain's contribution was nearer 13 than 19 per cent.

There had to be some adjustment, particularly as next year the budget will be calculated in the new European units of account based on a basket of European currencies, but a straight jump based solely on new arithmetic would have imposed an unfair and unacceptable burden on Britain. Hence the long negotiations. The outcome, while still involving higher payments, is more favourable than expected, being about £200m less than originally demanded, though £40m more than Britain wanted to pay. This reflects not

only hard bargaining but rather more good will on the part of the other members than Britain has earned by her performance in the Community so far. On the other hand the regional fund is considerably less than proposed by the Commission, so that Britain, which is the second biggest beneficiary after Italy, will not get as large an increase as hoped for.

All this marks progress in the small but important steps which are necessary for the Community to be seen to be a going concern. The meeting did not, however, take the Community much nearer the "major new stimulus of historical dimensions" which Mr Jenkins believes necessary if the Community is to move towards economic and monetary union. He had a friendly hearing but the immediate and urgent problems of unemployment and sluggish investment are going to have to be tackled without waiting for more distant hopes to be realized.

Saving historic ships

From Mr D. R. Goddard
Sir Frank Carr's article (November 19) has certainly drawn attention to a most pressing need and one that is perhaps more urgent than even he may have realized, for, since his splendid achievements at Greenwich, both with the museum and the Curv Sark, another aspect of the disappearance of the world's maritime history has been accelerating at an ever increasing pace.

The inland engine has already decimated the coast, and sailing schooners, junks and dhows and the outboard engine has wreaked havoc with the myriad beautiful traditional timber craft, but worse, that excellent oak building material, fibreglass, and its related synthetic materials, are bringing to an end what one might call the evolutionary boat—that is to say one that has achieved near perfection through thousands of years of gradual evolution.

The dug out, reed boats, catamarans, coracles, sampans and all the traditional wooden plank boats are making way for the universal fibreglass boat and with them goes the first means of transport known to man and in many cases unaltered for thousands of years.

on the chance will have been missed for ever and the historians, geographers and archaeologists will be left to make their deductions from what they can dig from the mud of the creeks and marshes where the boats finally died.

In answer then to Frank Carr, we do have an organization, albeit small, which is very much concerned with the preservation of the smaller craft of the world but for the larger ships surely the first step is to persuade an already established organization, such as our own National Maritime Museum or the Maritime Trust, to call an international conference to set the process in motion, for to attempt to establish at the outset a separate body will be no less a business when, as he says, time is of the essence.

Yours faithfully,
D. R. GODDARD,
Director,
Exeter Maritime Museum,
The Quay,
Exeter.

Researching pollution

From Dr P. F. Chester
Sir, David Nicholson-Lord's item in *The Times* of November 28 refers to a visit to the UK of the Swedish Youth Federation of Field Biologists to discuss ecological changes in Scandinavia which they believe are related to atmospheric pollution. It quotes representatives of British youth groups as complaining that the CEEB is planning no

research into environmental damage.

This assertion is factually incorrect and certainly cannot be the view of the Swedish party. Their visit to these laboratories last week was arranged by the International Youth Federation for Environmental Studies and Conservation, precisely because the Swedes wanted to hear more of the environmental research programme that our biologists and chemists have been carrying out in Norway in collaboration with scientists of the Fish and Forest Project. The visitors were given a full description of this work and its results to date, together with an outline of our ongoing plans, indeed we have subsequently received a letter of appreciation from the British organizers on behalf of the visitors.

In view of the incorrect impression created by your article I should add that some 50 staff here are engaged in the environmental aspects of power generation, one third of them on ecological effects. This effort is not unremarked in other quarters—we collaborate in OECD and EEC projects and with a number of British universities in this field. The most recent issue of *CEEB Research* (No 5) contains some relevant articles. Yours faithfully,
P. F. CHESTER, Director,
Central Electricity Research Laboratories,
Central Electricity Generating Board,
Kelvin Avenue,
Leatherhead, Surrey.

Curbing the sale of pornography

From Mr D. B. Taylor
Sir, The function of the law, I believe it is agreed, is to protect the liberty of property of the subject. Yet Mr Anderson (December 5) has "14 squads set up at divisional level to deal with such matters as prostitution, pornography, licensing and gaming". It may be that the law does in fact have something to say on all these topics; it may equally be questioned whether it serves any useful purpose in doing so.

We are meant to be horrified that Anderson's minions have seized material "alleged to be pornography" whose retail face value was £211,500. (Well we are, but for other reasons than Anderson supposes.) Apart from the consideration that the "retail face value" has itself been grossly inflated by Anderson's inflated reference, as a percentage of the total value of the book and cinema trades in the Greater Manchester area over the past three months I would guess that this is a fairly modest sum.

There may be some who openly bicker for total debauchery and lawlessness—indeed I don't think I have heard of any such thing in our country. But most of us simply have a taste for variety. Butler's Sermons today, Cleland's Confessions tomorrow, both are humbugging. Apart from which we have in our good authority that the publicans and barbers go into the kingdom of God before the maintainers of "proper standards of decency" (Matthew XXI, 31). Yours faithfully,
D. B. TAYLOR,
170 Divinity Road,
Oxford.

Dr Schumacher's vision

From Mr Robert Kahn
Sir, Your generous leader on the work of Dr E. F. Schumacher (December 1) is rightly titled "a message heard", for it is about whether or not we should recognize the importance of appropriate technologies for specific objectives. However, it is misleading to say that Dr Schumacher was in some unexplained way "resistant to modern trends" or "preindustrial". On the contrary, it is in the white robes of western Europe for which he was so famous. Dr Schumacher's vision of "economics as if people mattered".

People are more important than "market forces"; and Dr Schumacher's primal vision does offer practical as well as spiritual guidance whether people are living in affluence or deprivation. Perhaps no prophet is accepted in his own home, but in the case of Dr Schumacher, he is at least looking at our own society rather than analyzing his personality. Yours sincerely,
ROBERT KAHN, Director,
The Catholic Housing Aid Society,
189a Old Brompton Road, SW5.

Preserving Burgh House

From Mr Derek Godfrey
Sir, Miss Joanna Richardson's allegations (November 25) that Burgh House has been "gravely neglected" by Camden, and that Camden is attempting to avoid its responsibility to restore the house, are, in my view, unfounded. The suggestion that it is necessary to demolish the house is, in my view, a complete overstatement. Since 1965, when ownership was transferred from the Metropolitan Borough of Hampstead, £22,000 has been spent on the repair and maintenance of the house. Also, ten years before Miss Richardson's letter was published, the council approved a further minimum expenditure of £35,000 for remedial works required to bring the house up to the standard of the building. Our consultant architect has indicated that the building is in "reasonable condition having regard to its age".

Burgh House will be restored and it is the council's intention that the building will be fully used in future, thus ensuring its preservation. Regrettably, so far, the council has been unable to find a viable use of its own for the building, as well as other ways in which a museum might pay its own way would appear to depend on charging for admission, a proposal which is unlikely to be acceptable to the public.

Under the circumstances, therefore, and in view of the fact that both the basement and first floor have been used in the past for office purposes, the council is willing to consider the use of the building to recoup the cost of the present repairs and cover future maintenance and running expenses. In considering this option, the council has no intention of selling the house to account the ease of access already enjoyed by Miss Richardson and those who live in Hampstead to Penon House, Kenwood and a number of other houses. No doubt it will also consider the use of such funds, so released, could be applied in less privileged parts of the borough. Yours faithfully,
DEREK GODFREY, Chairman,
Building, Works and Services Committee,
Members' Room,
The Town Hall,
Euston Road, NW1.

Disapproving of chess

From Mr S. F. Klistin
Sir, Mr Bernard Levin is not quite accurate in stating (December 2) that chess has never incurred ecclesiastical disapproval. In 1497, when Savonarola was the supreme secular and ecclesiastical authority in Florence, he ordered chessboards and sets to be burned in public together with other "vanities". While I am not in favour of the practice, now so thoroughly obsolete of burning heretics at the stake, I cannot help feeling, as a lifelong devotee of the game, that there was some poetic justice in the fate which in the end overtook that particular heretic. Yours faithfully,
S. F. KLISTIN,
36 Grosvenor Road,
Caversham,
Reading,
Berkshire.

Language of the Prayer Book

From Dr David J. Girling
Sir, I wonder if those of your readers who have recently expressed their preference for the 1662 Communion Service over Series III have forgotten that Cranmer died in 1556, he regarded the common tongue, spoken and understood by all, to be the appropriate language of public worship, and that he was passionately concerned with the content of worship: with what was said, not just with how it was said. Hence the book of 1662 to one quite inordinately obsessed with sin, suffering and death.

To give but one example, in his 1549 service, Cranmer preserved the fine acts of praise and thanksgiving which were to be found in the medieval missals; thanksgivings for all Christ's redemptive acts, His blessed passion, mighty resurrection, and glorious ascension. But with ascendancy of the reform party, the scholars, such as such as Bucer, Vermigli and Pultain from Europe, all such joyful passages were stripped away, and the service was reduced (in the book of 1552 and hence that of 1662) to one quite inordinately obsessed with sin, suffering and death.

Are the present champions of 1662 really content that the central act of worship of the Church of England should not even mention the Resurrection, except in that it includes a recitation of the Creed? One of the great virtues of Series III is that it restores a truly Cranmerian balance. No wonder, were Cranmer alive today, he would surely prefer Series III; and had the present champions of 1662 been alive in 1549 they would surely have preferred the Sarum Missal, although had Christ's ministry consisted of poetry soirées their present case would indeed carry considerable weight. Yours faithfully,
D. J. GIRLING,
67 The Ridgeway, W3.

From Lord Denham

Sir, Although I would personally go a long way to avoid a Series III service, I am quite prepared to agree that it is logical to include in a modern version of the Lord's Prayer, as the point, in my mind irrelevant, variations in the Series II version—"who art" for "which art", "on earth" for "in earth", and forgive those for "forget them". Many people intersperse Series II with the 1662 Communion Service and Matins and Evensong still, happily, remain inviolate.

By the time one has worked out which alternative set of the three words is being used, one has totally lost all concentration on the actual meaning of this most important of all prayers. I do hope that, when the alternative set of words is published in 1980, there will be a clear choice between the unaltered 1662 version and the completely modern Series III one.

If I may say so, the Bishop of Durham is missing the point in his letter (December 1). He acted perfectly properly in putting the case, in which he believes, to the General Synod. It is the "overwhelming" proportion of the Church's elected representatives who have plainly misjudged the strength of feeling on this matter, among those whom they represent, and who, in my view, are entitled to their own House of Lords.

From the Reverend Brian Dickson
Sir, I feel that I must write to point out some confusion in Mr B. W. Robinson's mind between the relative status of Cranmer's English and that of Shakespeare. In the first place Cranmer's Lord's Prayer was a translation of the Latin, not a composition. No translation I ever perfect; but there can be no question, I think, that the modern version of the Lord's Prayer represents a more accurate rendering of the actual words of the New Testament than does the traditional version. Which does Mr Robinson prefer, beauty of

Keeping libraries intact

From Bodley's Librarian
Sir, Your leader (December 5) deplores the dispersal of libraries and calling for some fiscal action to restore the situation. I find your welcome and it is much to be hoped that it will lead to a move on the part of the Government. That all in the situation is not black, however, is shown by the experience of the Bodleian Library.

In 1959 what remained of John Locke's personal library was offered for sale. The Bodleian, holding the largest collection of Locke manuscripts, was anxious to purchase it but the price was far outside our reach. At this moment Mr Paul Mellon came to our rescue. He bought the collection, housed it in his residence in Virginia, and transferred the legal ownership to the Bodleian by deed of gift, subject to his retention of the physical possession in his lifetime.

Mr Mellon is happily alive and in good health but he recently decided that the time had come to transfer the collection to the Bodleian. It arrived here, in Locke's own university, last month and is one of our most prized possessions. The books, invaluable for the scholar studying the evolution of Locke's ideas, are arranged on our shelves in the same broken order in which they were shelved by Locke himself. Oxford is deeply grateful to Mr Mellon.

A princely benefactor cannot, however, be always at hand: all interested in scholarship or art will support your call for a reappraisal of our fiscal and financial arrangements with a view to enabling libraries and galleries to acquire and preserve for posterity the nation's treasures. Yours faithfully,
ROBERT SHACKLETON,
Bodleian Librarian,
Bodleian Library, Oxford.

From Mr Peter Opie

Sir, Your leader today (December 5) on the dispersal of John Evelyn's library, and on the prospect of further great collections being broken up, is both timely and valuable. Yet it perpetuates, if you will forgive me for saying so, one or two common fallacies which are help-

language or nearness to the original? Of course, we should aim at both these things and as another of your correspondents points out the Series III revisers have at many points shown themselves to be capable of composing the most beautiful prayers.

On the other hand it may be, as your newspaper pointed out on the day that the New English Bible (New Testament) was published, that translation into beautiful contemporary English was easier in an age of "Faith" than in an age of "Doubt". Even Cranmer's liturgy has not always been hailed as the masterpiece which many today believe it to be. For Cornish churchmen the new Prayer Book seemed like some "Christian game".

There is a second difference between the status of Liturgy and of Shakespearean drama. We do not need to understand Shakespeare and no doubt few outside the ranks of the scholars ever do. Such as much from the text as would have been possible for the ordinary educated man of his day. But if we assume that Mr Robinson accepts the truth of Article VI that Holy Scripture containeth all things necessary to salvation, our very salvation may depend upon our having as accurate an understanding as possible of what Our Lord actually meant and said. Yours sincerely,
BRIAN J. DICKSON,
Bishopston Vicarage,
Gloucester Road,
Bristol.

From Mr K. L. Stretch
Sir, Might I query whether any of those who pontificate about the inability of English congregations to follow Cranmer's language have ever done any really scientific tests (not opinion polls) of their thesis? I have, on notoriously illiterate candidates, and using much less digestible material (Bacon): so I know that the dogma is false. It is not the language but doubts about the relevance of the subject in the twentieth century, and hence about whether or not should think seriously about religion, that create the barrier. Once this is crossed, accurate and memorable language is welcomed, just as Shakespeare is said to be a popular author: it provides the best medium for fixing ideas so securely that they are remembered, and so can guide and sustain one in critical situations throughout life.

Of course, I present many cannot communicate in English at all; but no one can devise a liturgy in any language for people who cannot understand it. Yet once any one is convinced of his need and wants to join his fellows in worship, the Book of Common Prayer is much more easily assimilated by English speakers than many other manuals they have to master. And as for historic reasons, it strikes the heart chords of our very conservative race directly and forcibly, jettisoning its services makes the task of evangelizing England (manifestly an urgent problem) as well as the primary duty of the Church in this land more difficult, however much the action may gratify religious enthusiasts.

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From Mr Rowley Marriott
Sir, Mrs Williams (November 29) has a very simple solution to her problem. Let her explain to her children the meanings of the words "baldy" and "recesses". It will give them the advantage of understanding them when they occur in other contexts, literary or religious.

She would not, I suppose, advocate a revised version of "Little Miss Muffet" on the grounds that "tuffet", "cuddles", and "whimper" were unfamiliar to small children—even to those living near Chipping Campden.

This analogy, to which Mr Edward Head seemed to subscribe earlier this year, is on a par with the one about the nation's wealth being a cake of fixed size, and the business of government being to cut it up and share the pieces around equitably. The reality is that the fund of collectables in this country, like the potential for creating wealth in this country, is almost endless. Given only the imagination to see the new spheres available to us, indeed it can be an actual hindrance to progress when the antiquities that were admired in the past become available to the contemporary collector (whether private or institutional) since cash and energy are then expended in "saving for the nation" what is already appreciated.

Like many another collector, doubtless, I know one or two subjects, and indeed of one or two collections already in embryo, which given a quarter of the cash at present being paid for the Evelyn library or sought for the Snubbs, could, at the very best, provide fresh sources of intellectual stimulus and aesthetic adventure. I am, Sir, yours, etc.,
PETER OPIE,
Westerfield House,
West Liss,
Hampshire.

From Mr C. B. Lulys
Sir, Stephen Vizinczey's excellent reappraisal of Kleist in the *Saturday Review* (November 26) stated that none of his works is in print in England. I am delighted to inform Mr Vizinczey that we published a new translation by Roger Jones of *The Broken Jug* last year, and it has since been performed at a number of centres around the country. Yours faithfully,
C. B. LULYS,
Manchester University Press,
Oxford Road,
Manchester.

Translation of Kleist

From Mr R. H. Thornton
Sir, The inscribed stones taken from the facade of the old Blackfriars railway station in London look very fine in their fresh setting on the new station. British Rail are to be congratulated for preserving them in so suitable a position. Unfortunately in the process of clearing them and gilding the letters of the destination town names a little bit of history has been lost. At some time, presumably at the beginning of the Great War when the Russians thought the original name too Germanic, "St. Peter's" was overpainted "Petrigrad". Signs of this were visible until the old station was demolished but now alas they have gone. Yours faithfully,
ROY H. THORNTON,
10 Clare Gardens,
Upney,
Essex.

Rewarding the servicemen

From Mr J. P. van den Bergh
Sir, The general public have had the opportunity in many places of making contributions to the striking firemen, with whom all of us have great sympathy. Nothing seems, however, to have been done for the servicemen who are standing by to save lives and property, often living in shocking conditions and forfeiting well earned leave.

I suggest that one of the great insurance companies, whose special interest is obvious, opens with a substantial sum, an appeal for these men. I believe not only industry and commerce but the general public also would immediately respond and a worthwhile sum would be collected which could be used to give these servicemen some comforts and reward for their very special service—quick action is necessary. Yours faithfully,
J. P. VAN DEN BERGH,
Field House,
Cranleigh,
Surrey.

From Mr Denis Pirrie
Sir, By the employment of under paid and poorly housed servicemen the local and central authorities are saving some £3,000,000 a week (if my arithmetic is right). It would be too much to expect the Treasury to permit the payment of extra money to these temporary firemen who are denied even the protective clothing and equipment they need to do their job and guard themselves from danger.

Would it not, however, be possible for a substantial proportion of the money saved by the authorities to be used to help particularly soldiers wounded in Ulster and the families of those who have been murdered there. If this were done then the soldiers, sailors and airmen who are now fighting our fires would know that their efforts have been appreciated. The insurance companies too might well contribute to such funds. Yours faithfully,
DENIS PIRRIE,
Windover,
Underhill Lane,
Westminster,
Hassocks, Sussex.

New town benefits

From Mr Wyndham Thomas
Sir, Your report (November 29) of the new study leaving London, Planned Mobility, published by the City by Nicholas Deakin and Clare Ungerson, highlights the contention that inner cities have been socially and economically damaged by the development of new towns.

Alison Keymer, Northampton and Peterborough are all third generation new towns and all started house building in 1970. They share a principal purpose: to help reduce London's severe housing problems by providing homes and work for families from the capital, especially those in housing need and other "disadvantaged" groups. The performance of the three second stage scrutiny against that background, in 1976, for example, the three towns housed just over 2,000 families from London. Of that number, about two thirds were unemployed, disabled, elderly, single parent families or families of "disadvantaged". Without the three new towns the families would almost certainly have been forced to stay in London. Yours faithfully,
WYNDHAM THOMAS,
General Manager,
Peterborough Development Corporation,
Touhill Close,
Peterborough.

Registered electors

From Dr John F. West
Sir, Last Friday I reported to the election registrar, Mr J. H. Cartlidge, Northamptonshire, no fewer than a thousand mistakes in the newly issued draft register. All the 18-year-old voters listed in the 1977-78 register had by some computer error had their dates of birth printed by their names in the draft 1978-79 register. If uncorrected, this mistake would have disenfranchised all the 18-year-old voters of Carlton division from February 16, 1978 until the date of their respective nineteenth birthdays.

This incident highlights the need for a reform of the law on registration of electors. Very few members of the general public are aware that they have only 19 days during which to make a claim if their names have been omitted in error from the draft register.

The statutory duties are in the last degree arbitrary. The qualifying date is October 10. The draft register appears on November 28. Claims and objections have to be made by December 16; and the new register is current from February 16 one year to February 15 the next.

These dates do not actually have democracy under contempt; but their lack of logic certainly does not bring our version of democracy into esteem. Yours faithfully,
JOHN F. WEST,
Prospective Parliamentary Liberal Candidate, Carlton Division,
86 Walsingham Road,
Woodthorpe,
Northampton.

Blackfriars destination

From Mr R. H. Thornton
Sir, The inscribed stones taken from the facade of the old Blackfriars railway station in London look very fine in their fresh setting on the new station. British Rail are to be congratulated for preserving them in so suitable a position. Unfortunately in the process of clearing them and gilding the letters of the destination town names a little bit of history has been lost. At some time, presumably at the beginning of the Great War when the Russians thought the original name too Germanic, "St. Peter's" was overpainted "Petrigrad". Signs of this were visible until the old station was demolished but now alas they have gone. Yours faithfully,
ROY H. THORNTON,
10 Clare Gardens,
Upney,
Essex.

Work at home is part of part-time teacher's job

Riot prisoners fail to quash visitors' disciplinary decisions

in work only during the hours specified in her letter of engagement--while she was on duty at the school. She acknowledged that a 45-minute teacher's hour is rigorous and allocated her 3 hours 40 minutes a week out of 15 hours 25 minutes for preparation and grading. She stated that although that time was not written into her contract, it formed part of it.

Ms. Lake argued that in order to teach properly in class and to perform her other obligations, she had to work outside school hours. She stated that 30 minutes free time was not enough because she was partly occupied by supervising the children when not in class.

The modern approach to the certiorari was to be found in *Ridge v Baldwin* (1964) AC 413. Lord Reid said that the question on the footing that the visitor had a judicial task to perform is a *Criminal Injuries Compensation Board* (1967) 1 QB 864, the case that first established that the Criminal Injuries Compensation Board was subject to prerogative orders gave encouragement, if it was not a direct authority, to the jurisdiction of certiorari.

On the other side there seemed to be one thing only to be said. Despite the fact that the certiorari was made out for saying that the certiorari would go, that would not be prevented if the order made in private disciplinary proceedings where there was a clear disciplinary

expressed in a written contract did not necessarily include all the contractual rights and obligations of the parties. On the contrary, the "free time," if a teacher found it necessary to spend time outside her school duty hours in preparation of her contract, essential elements of her job, did not constitute an obligation on her to do so whether or not it was written into her contract.

Accordingly, Mrs. Lake was under a contractual obligation to do as much work outside the school hours specified in her contract as was necessary for her work was employment normally involved in the performance of her contract which had to be

The main authority was *Forbes v. The Prince of Wales* (1854) 1 WLR 730 (1853), which laid down the principle that domestic discipline was a matter for the officers in charge and not something for the court. This was a principle which, in the Lordship's judgment, should be adhered to. That was in no way inconsistent with the general approach to censure, and he pointed that out, rather than pointing out when an order of such a disciplinary body was under review.

The appeal would be allowed, and the case remitted to another industrial tribunal to assess whether her work outside school hours brought her weekly employment to 21 hours. Leave to appeal would be granted.

Solicitors: Mr H. Pierce; Mr C R Oakley, Chelmsford.

At first his Lordship thought that it was a principle which would apply only to the prison governor and it was not until the argument progressed some way that it seemed right that the board of visitors should include the prison discipline. The reason was that the board was sitting as a disciplinary body as part of the disciplinary machinery of the prison, and his Lordship could not see how, if the governor was left out of review by the courts, the board of visitors could be reviewed. That decision was based on the idea that the board was a part of the prison discipline machinery, and not a body which was outside it.

Age Group	Total (%)	Female (%)	Male (%)	Non-Hispanic (%)
18-24	15	18	12	14
25-34	25	28	22	24
35-44	35	38	32	34
45-54	45	48	42	44
55-64	55	58	52	54
65+	65	68	62	64

His Lordship agreed with the observation of Lord Denning in *Becker v Home Office* (1972) 2 QB 407, 418: "If the courts were to entertain actions by disgraced prisoners, the government's life would be made intolerable. The discipline of the prison would be destroyed. That is the final consideration which His Lordship would put forward in justifying the conclusion that certiorari in the present instance should not go."

Lord Justice Cumming-Bruce delivered a concurring judgment

Solicitors: George E. Baker & Co., Guildford; Philip Hamer & Co., Hull; Bindman & Partners, Douglas-Mann & Co for Patterson-Glenon & Stracey, South Shields; Ms Hilary Kitchen; Bindman & Partners for Clough & Co, Bradford; Treasury Solicitor.

Science report

Radioactivity: Unusual levels noted in Sweden

Further large reappearances of polybromine and neptunium occurred in mid-April, accompanied by a small quantity of plutonium. The same pattern occurred on other occasions in 1976, small quantities of the short-lived radionuclides were detected.

On the basis of the Swedish National Defence Research Institute in Stockholm reporting these observations, it was concluded that the waste underground tests in the Soviet Union or with release of radioactive material into the environment, but without success. It is noted, however, that on occasions the wind had been blowing from the east for several days, indicating a Finnish-Soviet source.

On explanation is bound to be speculative, but Dr de Geer notes that in the past two years some Americans have been building a new military device, a charged particle beam. Such a device would be able to destroy incoming nuclear missiles. The assertions, which were based on unexpected construction activities at the Soviet nuclear test site and on unusual amounts of hydrogen detected recently in the atmosphere, have not yet been universally accepted.

Dr de Geer points out, however, the possibility of generating such a beam from a much smaller explosive as a power source. Any possible experiments on such a beam would be holding these radioactive isotopes.

By Nature/News Service
Source: Science, 198, 922
(December 1977).

By Nature/News Service
Source: Science, 198, 922
(December 1977).

Latest wills

Late estate wills

Late estates include (net, before expenses, after tax deducted):

Beumest. M. Cyril Barrie, of Westminster. London, controller of programmes. London Weekend Television. In-state	£157,357
Barrie. Mrs. Edward Burton, of North Walsham	£120,173
Parsley. Mrs Edith Sarah, of Bristol	£120,381
Sayers. Mrs Janet, of Farnham	£120,381
Travers. Mr Gordon, of Beaconsfield	£112,135
Field. Mrs Marjorie. Jamaica	£104,784
Cockfield	£209,581

A further grant of probate in respect of several had been made for £7,130 that has been issued in the estate of Lord Crampton, of Crampton Hall, North Yorkshire. It is added that the estate is valued at £47,866, making a total value of £112,866.

25 years ago

General Eisenhower has completed the first tour of the Korean front-line units, including British Commonwealth troops, and conferred with President Rhee in Seoul. At a press conference in Seoul, the President-elect said he had no panaceas to offer, but would do his best to get things done to improve the allied position in Korea. When the party arrived at Seoul, which had had its first snowfall in 10 years, the President-elect was met by the press the previous night. It was met by military officers and escorted by armed cars to Eighth Army headquarters, where he met Gen. Mark W. Clark and General Van Fleet greeted the President-elect.

Expenditures	58
Income	16
Expenditures	3



Professor Ronald Mason, FR, professor of chemistry, Sussex University, to be Chief Scientist, Adviser, Ministry of Defence.

Other appointments include:

Dr G. J. R. McHardy to be member of the council of the Royal College of Physicians, Edinburgh.

Mr Marshall A. C. Davies to director of the international military staff of Nato in connection to Lieutenant-Gen. Gerhard Schmucke of W. Germany.

Mr John Alexander, educator, to be new senior education officer (schools) for the BB School Education Council.

Alan Jamieson is now known chief education officer.

The Silk Cut range: All tobacco: Green 44p. Blue 47p. Red 51p. King Size 55p. International 62p. With 25% tobacco substitute: Blue 47p. King Size 55p or with 40% tobacco substitute: Ultra Mild 55p.

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هكذا من الأصل

EGYPT

a Special
report

Peace is primary aim—but not at any price

by Denis Taylor

So fast and furious have been the twists and turns in Egyptian foreign policy in the past few weeks that one could be forgiven for thinking that it had gone completely into reverse, particularly now that Cairo has broken off diplomatic relations with Syria, Libya, Algeria and South Yemen after the anti-Sadat measures adopted in Tripoli this week.

But the overall aims of President Sadat's strategy remain much more consistent than might be imagined by those who have not got their breath back since his visit to Jerusalem.

First—and this was the point of his dramatic break with precedent in going to the capital of the state with which Cairo has been in a state of war for almost 30 years—he wants peace in the region. Egypt, as Mr Sadat has not hesitated to point out, has borne more of the burden of the conflict than any other Arab nation.

What could not have been

foreseen were the tactics the Egyptian leader would employ in order to try to give an impetus to this aim, including his implicit recognition of the state of Israel, which the other Arabs regard as throwing away a crucial card before negotiations have even begun.

The reactions to his challenge to the Arab world have been for the most part predictable, from the violent outbursts of Iraq to Syria's more measured disapproval and Jordan's agonizing efforts to keep the middle ground. Inviting the Israelis to Cairo was bound to produce an anti-Egyptian summit like that just held in Tripoli.

As his speech to the Knesset showed, President Sadat's mission was not an attempt to negotiate a peace treaty between Egypt and Israel but to call for a regional settlement embracing the fundamental Arab demands for an Israeli withdrawal from the territories occupied in 1967 and the right of the Palestinians to have their own state. Any dilution of those conditions would have immediately and entirely destroyed his credibility among the Arabs.

Time will show whether Egyptian perceptions about the Israeli Government were on the right lines. One view in official Cairo circles, before the possibility of a Sadat visit to Jerusalem was publicly aired, was that Mr Begin was modifying his apparent fundamentalism under force of circumstances. Those were said to include the implications of the unprecedented joint Soviet-American statement early in October, which called for a

settlement ensuring "the legitimate rights of the Palestinian people".

At the same time, the Egyptians seemed to be under no illusions about the willingness of Israel to negotiate with the PLO, so that Mr Begin's subsequent reactions on the Palestinian issue can hardly have come as a surprise.

There was a feeling in Cairo, however, that in spite of his evident reservations on the question President Carter was gradually moving towards acceptance of the idea of an independent Palestinian state. Even if that is the case, it must then be asked whether the Egyptians, like other Arabs, are not taking far too simple a view of Washington's ability or desire to put pressure on Israel.

Egypt's attitude towards the super powers remains consistent. The pattern was set when President Sadat expelled his Soviet military advisers in 1972 and subsequently committed himself to a rapprochement with the United States. If there is any change there it is the tactical one of being ready to talk directly to the Israelis rather than depending on American or other intermediaries.

His distrust of Russian intentions in Africa stays strong, hence Egyptian concern about the Horn of Africa and, earlier this year, Zaire. When announcing that Egyptian pilots and technicians were being sent to help President Mobutu to contain the invasion of Shaba province, Mr Sadat said this incursion was "a direct threat to Sudan and the source of the Nile, which for us is life and death. We shall fight against whoever attacks Sudan".

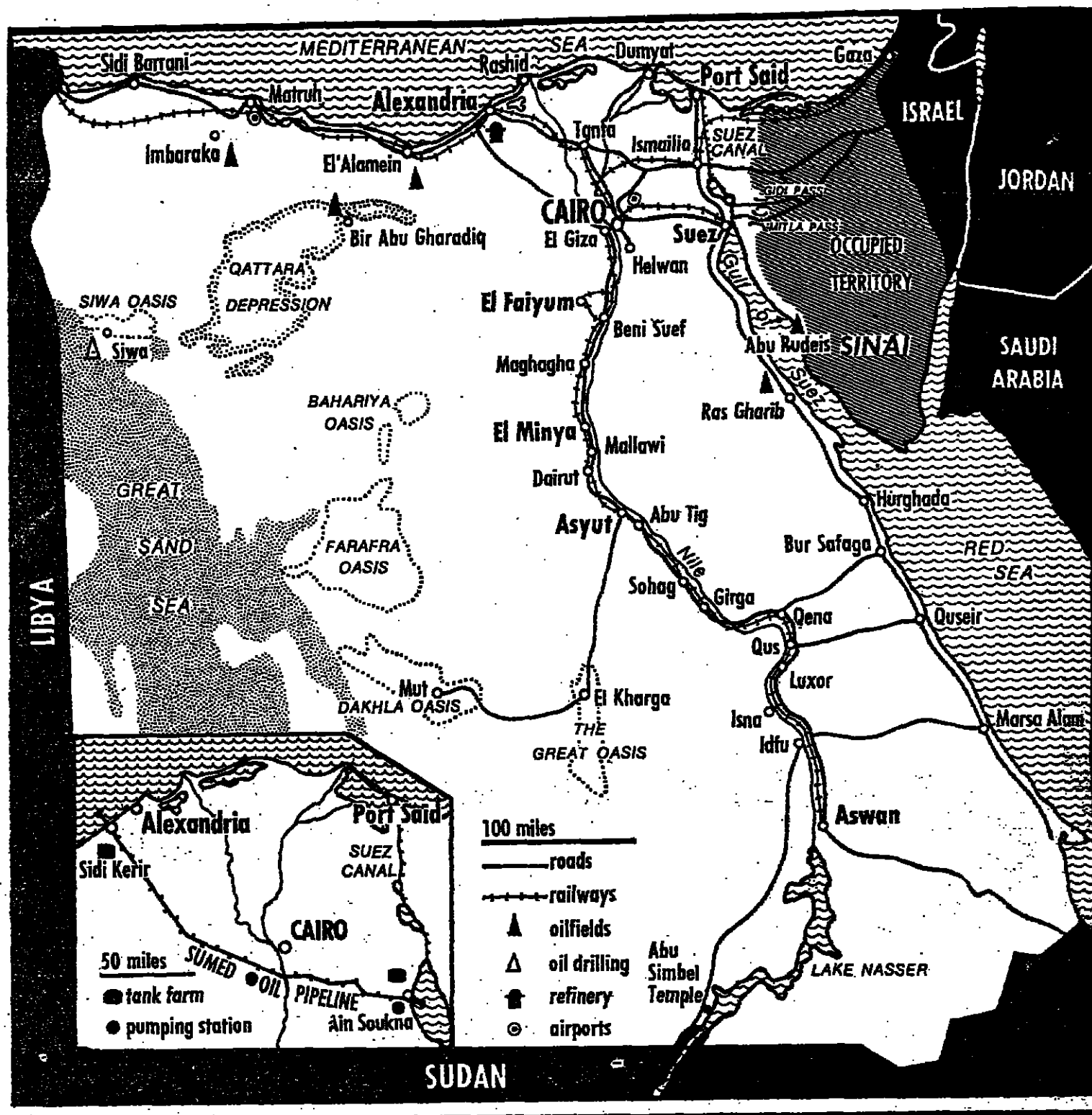
The Horn of Africa is seen in Cairo as an area of vital interest, where it wants to see stability and freedom from foreign domination. Egyptian concern about the Horn reflects their preoccupation with the Nile, a tributary of which rises in Ethiopia, as well as with the Red Sea.

There is obvious satisfaction that the Russians have not achieved any net gains from their backing of both sides in the conflict between Ethiopia and Somalia.

The practical fruits of Egypt's 1974 agreement to coordinate political and economic policies with Sudan are so far slight. A mutual defence pact was signed after an abortive coup against President Nimeiry last year. Six weeks ago in Cairo the parliaments of both countries met together for the first time. The idea is gradually to improve political, economic, cultural and educational cooperation rather than try to force the pace. The recent history of the Arabs is littered with failed schemes for unity.

President Nimeiry was the only Arab leader to endorse the Sadat initiative in person by flying to Cairo on the Egyptian leader's return home.

Earlier this autumn Egyptian officials were talking of an improvement in relations with Libya since their brief desert war last summer. Such claims already seem like ancient history. The world is now waiting to see whether Mr Sadat's revolutionary tactics have destroyed all hopes of realizing his objectives and brought the Middle East once more to the brink, or whether in a way as unforeseen as his flight into Israel his gamble is vindicated.



Investing in Egypt A new open door policy

As part of Egypt's forward-looking programme to re-vitalise her economy, the People's Assembly has approved a number of amendments to the country's investment laws.

These amendments, covering exchange rates, taxation, customs duties and the repatriation of profits, make Egypt's current investment climate one in which overseas

investors will see their projects come to fruition more smoothly than ever before.

During the next four years, projected schemes will be undertaken to build up the country's involvement in agriculture, textiles, housing, transportation, engineering, mining, finance and food stuffs to the benefit of both Egypt and foreign investors alike.

Agriculture

Agriculture and land reclamation are vital sectors of the Egyptian economy.

Investment—both foreign and domestic—in this area includes animal production and water wealth as high priorities. Important, too, are the cultivation of fruit and vegetables for export, poultry raising and cattle breeding, fishing, and dairy production.

Industry

In the past the Egyptian economy has been heavily orientated towards agriculture.

Today the emphasis has shifted to include industrial development. With a substantial industrial export trade already under way, over one million of the country's workforce are employed in industrial activities.

Thus investment from overseas is encouraged in metallurgical concerns, the engineering and electronic industries, textiles, chemicals, building materials, foodstuffs, mining and petrochemical industries.

Tourism

Egypt was a great civilisation with a centralised government over 3,000 years before the birth of Christ.

Nowadays the fertile banks of the Nile steeped in the ancient history of the Pharaohs' land attract thousands of tourists each year. For those who look for the sun in winter, and who have an interest in history and archaeology, Egypt is an ideal place.

Foreign investment is invited to improve facilities for tourists through the construction of hotels, tourist cities and villages, camping centres, floating hotels, ferries and other amenities.

Financial institutions

Beyond the investment potential of agriculture, industry and tourism, Egypt's new policy opens the door for the establishment of a variety of institutions to provide adequate financing for any accepted investment project.

Opportunities now exist for investment companies, investment banks, merchant banks, and reinsurance companies to open branch offices in Egypt or to establish institutions constituted in Egypt.

The progress so far

Already Egypt's investment programme is far-advanced.

This table shows the scope and involvement of foreign investors whose projects are currently under way. It is an indication of the way in which, in partnership with overseas industrialists, Egypt is committed to a comprehensive programme of economic growth.

Activity	Number of Investment Projects	Total Investment (in millions of Egyptian pounds)	Foreign Investment (in millions of Egyptian pounds)	Employed Nationals at 30/7/77
Textile Industry	28	24.7	14.7	5,131
Foodstuffs	16	20.1	11.8	1,683
Metallurgical	25	10.0	7.8	9,632
Engineering	13	12.8	8.8	1,702
Mining	4	2.3	0.8	425
Ceramics	15	22.0	2.7	1,598
Chemicals	83	65.1	19.7	9,431
Pharmaceuticals & Medical Equipment	3	1.1	0.1	723
Animal Production	14	23.2	13.6	2,093
Housing	14	9.9	39.7	22.2
Contracting	10	8.7	3.7	2,426
Transportation	8	22.8	1.4	2,784
Investment Companies	13	150.0	22.0	114.0
Banking	23	99.8	14.2	32.0
Tourism	22	182.1	11.0	109.5
Health & Recreation	0	17.5	1.9	22.0
Total	248	729.3	242.7	66,037

For further information contact:

General Authority for Arab and Foreign Investment and Free Zones.

8, Adly Street, Cairo, Egypt.

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A performer on the world stage

I don't know about the obel Prize, but I think they ought to get Oscars," his was Mrs Golda Meir's characteristic comment on the performance of President Sadat and Prime Minister Begin during Mr Sadat's recent visit to Israel, which it without reason has been generally labelled "historic". As far as Mr Sadat is concerned, one can only endorse Mr Begin's view. He is a man who visibly enjoys "performing" on the political stage, and the visit to Israel was, in his most accomplished performance to date, a triumph. Mr Sadat did not go to Israel, as many supposed, to negotiate a deal with the Israeli Government. He came to Israel, as he himself said, to give the Israeli people a message: to convey to them that he was genuinely a man of peace, and that Israel really was a peace-loving country. He wanted to give the Israeli people a message: to convey to them that he was genuinely a man of peace, and that Israel really was a peace-loving country.

Psychological barrier to be broken

But Mr Sadat has consistently ignored such criticisms. He seems to believe, or to sense, that Egypt and the Arabs are too weak to drive a hard bargain with the superpower like the United States. Instead of trying to bargain, therefore, he has sought to convince—to overcome, as he now puts it, the "psychological barrier" of mistrust; and to inspire trust one has to act spontaneously and wholeheartedly, holding nothing back, keeping no options in reserve, not hedging one's bets. Gambling metaphors inevitably creep into any portrait of Mr Sadat. To call him a political gambler is a cliché, not an insult. It means that, unlike most political leaders, he is willing to take risks. But what sort of a gambler is he? If in one respect he

is like a reckless roulette player, piling all his chips on a single number, in another he is like a skilled bridge player, who manages repeatedly to nullify his opponent's thinking by his own high cards left.

He would probably never have become President had not his apparent mediocrity, combined with almost servile loyalty, commended him to Nasser as an heir apparent, who would never become a rival, and had the confidence of power after Nasser's death not assumed that they would be able to manipulate him until they were ready to push him aside.

In May 1971 he was able to arrest the men who controlled the security services, mainly because it had never occurred to them that he would try. And in October 1973 he was able to take the Israelis by surprise because they had long written him off as a man who wanted on about the coming battle as a diversion from his country's internal problems, but had neither the military capacity nor the political resolve to launch a real attack.

So, too, his decision to go to Israel last month came at a time when many critics were confident that his pro-Western policies were failing to secure either Israeli withdrawal from Arab territory or the rescue of the Egyptian economy, and when Egyptians of all classes had taken to speaking of him with contempt. It remains to be seen just what this latest initiative will achieve, but there is no doubt that once again he has taken the entire world by surprise and thrown friend and foe alike into confusion.

E.M.

Immigration seen as answer to unemployment

by Atef Sultan

Improving employment opportunities for Egyptians was one of the important issues that topped a long list of steps proposed by Professor Alex Moeller, former West German Finance Minister, in a report on Egypt's economic prospects submitted to President Sadat last June.

Some comfort is found, however, in other Arab countries which since the 1973 sharp increase in oil prices have launched massive development programmes requiring large numbers of imported skilled and unskilled labour. In 1972 the number of Egyptian expatriates totalled 200,000. In the past four years, however, one million Egyptians, about 10 per cent of the workforce, left to work abroad, mostly in Libya and the Gulf States.

Unlike other surplus labour nations like Turkey or the Republic of Korea, Egypt has no well-defined policy on migrant workers. But at least since President Sadat's much-publicized open-door policy was introduced the Government began to see immigration as a palliative for the problem of unemployment and as a valuable source of foreign exchange.

Earlier this year Mr Moudud Salem, the Prime Minister, said that remittances by Egyptian expatriates amounted to \$400m a year. According to more recent estimates, this figure has now tripled as the result of a further relaxation in Egypt's foreign exchange control.

Such an inflow of foreign exchange will not solve Egypt's economic problem overnight. With a gross national product of only about \$11,000m Egypt faces

an estimated trade deficit of about \$2,500m this year, and an outstanding foreign debt of about \$16,000m while debt servicing alone takes nearly 40 per cent of export earnings. However, remittances for the first time have exceeded any other single source of foreign exchange earnings, which traditionally consisted mostly of cotton exports, dues from the Suez Canal and tourism earnings.

In most of the thinly populated Gulf States, for example, more than half of the workforce, in some of the smaller states, they even account for up to 80 per cent of their inhabitants. With acute domestic labour supply in these countries, the workforce is imported from distant places like Taiwan, the Republic of Korea and from India, Pakistan and Turkey. But for cultural and economic reasons, many rich Arab oil states prefer to fill most vacancies from other Arab countries.

Egypt, which has the largest manpower pool, both in quantity and quality, takes the biggest share. Egyptians now number more than 250,000 in both Libya and Saudi Arabia, 50,000 in both Kuwait and the United Arab Emirates and 10,000 in the tiny state of Qatar.

But Egyptian migration to other Arab states has not always been a blessing. Many emigrants' expectations raised by life abroad, few of them would be willing to return to their own hard-pressed country. Several Egyptian industries, particularly construction, have suffered seriously from the exodus of certain technical and managerial skills.

A serious shortage in

craftsmen has also emerged. Now good plumbers or tile layers, for example, can earn \$40 a day—more than triple a university professor's earnings. The large demand for transport staff in other Arab states, particularly Iraq, has left Cairo's already disastrous bus network with fewer drivers and technicians, and it is now said that Arab staff will be used to run the services.

One of the disquieting features of the migrant labour market is political vulnerability. The rapid and often unpredictable changes in Egypt's relations with certain other Arab states could make the future of its migrant workforce there uncertain.

Libya offers the best example. While Egyptian and Libyan forces fought fierce battles on the border last July, about a quarter of a million Egyptian technicians, doctors, teachers, administrators, construction and other labourers were still at work throughout Libya. Under these circumstances, it is ironic that Egyptians make up more than a third of Libya's workforce, and that their skills are so important to Libya's development.

The Libyans knew that if the Egyptians left, sufficient numbers of alternative labour would be difficult to find. But now that Libya has severed all political, economic and communication links with Egypt in protest at President Sadat's startling peace talks in Israel last month, Egypt could find itself flooded by an army of its own workers expelled from across the border.

The author is on the staff of the Middle East Economic Digest.

Sadat raises hopes for future

by Edward Mortimer

President Sadat's spectacular decision to visit Israel last month was taken against a background of political and social malaise, closely connected with Egypt's acute economic difficulties. Until last month the dominant event of 1977 in Egypt was with one question the serious riots which occurred in Cairo and Alexandria in January in protest against the Government's sudden decision to raise the prices of the heavily subsidized basic commodities that make up the diet of the Egyptian poor.

The rioting was the most serious political disturbance in Egypt since the revolution of 1952 and though the Government's sudden decision to raise the prices of the heavily subsidized basic commodities that make up the diet of the Egyptian poor.

The riots were a severe blow to the Government's prestige. They forced the President to take a more active role in the first time on the dangerously wide and growing gap between the prosperity of the few and the grinding poverty of the many. On the one hand were the new and old rich: the old families who had managed to preserve or recover at least a part of their wealth from before the revolution and those who had risen through the army or the bureaucracy to positions of influence during the Nasser regime.

They have profited from the liberalization of the economic system since 1973, the influx of oil money from the Gulf and the availability of imported consumer goods. Money can be made by taking agencies for importing commodities, by speculating in real estate, by owning or managing nightclubs and hotels, or by helping companies or individuals to get around the many regulations, administrative obstacles and the bottlenecks which characterize Egyptian society. It can be spent on a whole range of imported luxury goods and with very little difficulty it can now be taken out of the country.

On the other side is the great mass of Egyptians, with whose cause they have been saddled for 30 years, and towards the Arabs (these are, essentially, the "new" Arabs), about whom they speak in much the same terms as the average Londoner.

There is little or no gratitude for Arab financial support, which most Egyptians feel is dispensed with both parsimony and condescension, and combined with unacceptable interference in Egyptian society and Egyptian policy. Compare the French attitude to Americans at the time of the Marshall Plan.

In striking out boldly for peace with Israel and defying Arab opinion, President Sadat has undoubtedly revived his popularity with the majority of his own anxious task. President Sadat seems haunted by the fear that his people's discontent

will be exploited by communism, and has given some encouragement to what he sees as a preferable alternative—the revival of traditional Muslim piety.

All observers agree, including the leftists themselves, that this revival has a far wider popular appeal at present than any of the leftists or neo-Nasserist criticism of the regime's policies. In fact, the religious revival has gone well beyond what the Government can have wanted, and has reached a point where some aspects of it have become a serious embarrassment.

The most obvious example is the Takfir. Wal Higa group whose leaders were sentenced to death last week. The danger of this group lies not so much in its advocacy of violence as in its thesis that present-day Egyptians are actually no longer Muslim, that the present rulers of the country cannot be considered Muslims, even as individuals, and that it is itself the only true Muslim group, and in the significant following that the group has obtained, particularly among students of both sexes.

Few doubt that it has been helped to obtain this following by financial support from Libya and Saudi Arabia, or possibly both. The fact remains that a large number of Egyptians, and particularly young Egyptians, interpret the obvious decadence of the country as essentially a falling away from the true Islam, and see the remedy as a return to a strict fundamentalism, the rules of the Koran and the Sharia.

This has put the older Muslim leadership on the defensive: both the old Muslim Brotherhood (no longer underground although not officially recognized as a political party) and the religious establishment of Al-Azhar University have had to demonstrate the strength of their Islamic commitment, and their influence in Parliament has been reflected in a number of attempts to tighten up social and moral legislations. The most controversial proposal this year, put forward by a parliamentary committee, was to reintroduce the death penalty for Muslims who renounced their faith.

Few Egyptians are satisfied with the present state of their country. Almost all believe that peace could bring a change for the better. Many feel resentment towards the Palestinians, with whose cause they have been saddled for 30 years, and towards the Arabs (these are, essentially, the "new" Arabs), about whom they speak in much the same terms as the average Londoner.

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ent Anwar Sadat, seated next to Mr Menachem Begin at a press conference before his departure from Jerusalem, repeats his call for an end to war.



Cairo women in the bargain basement of a department store. Impoverished though the country is, newly imported articles such as this cloth from France are eagerly sought.

After the Russian wedding, West offers its arms

Henry Stanhope

gyptian Armed Forces stood at something of a crossroads after the War, have started once towards one of several options. Reported American as that Israel could or even annihilate a Syrian-Egyptian within a fortnight—ld be in a position to the next five years nates the Arab . This will remain, President Sadat's of an end to war rue. isfaction in Cairo r Russian arms sup- ves long-standing. It 1, partly from the clusal to furnish the

advanced, offensive weapons which Egypt craved, and partly from the privileged presence of Moscow's military advisers in Egypt, Cairo and elsewhere. It was always a marriage of convenience anyway, which finally broke down when both partners grew disenchanted over the benefits.

But the break, when it came, left Egypt's Armed Forces with Russian missile boats, and the Hawker Siddeley side of British Aerospace together with Rolls Royce are helping to re-equip the air force's MiG 21s. About 250m worth of Soviet fire anti-aircraft missiles have also been bought for the Egyptian Army. Meanwhile the French have recently sold Crotale anti-

increasingly capitalist economy, have long appeared to be more natural allies. With the United States bound irrevocably to Israel, it is the Western European powers like Britain, France and to some extent Italy, which are competing for Egypt's limited supplies of foreign exchange.

Vosper Thornycroft has already agreed to overhaul and update the Egyptian Navy's Russian-built missile boats, and the Hawker Siddeley side of British Aerospace together with Rolls Royce are helping to re-equip the air force's MiG 21s. About 250m worth of Soviet fire anti-aircraft missiles have also been bought for the Egyptian Army. Meanwhile the French have recently sold Crotale anti-

President Sadat has therefore turned to the Western powers which, given Egypt's

aircraft missiles and two submarines while more than 40 Mirage F1 fighters are on order.

These deals have been financed by the Saudi Arabians on a bilateral basis. But more ambitious is the scheme launched by the Arab Organization for Industrialization (AOI), Saudi Arabia, Qatar and the United Arab Emirates, to lay the foundations of an indigenous Arab arms industry, through a combination of Egyptian labour and petrodollars from the Gulf States.

A deal to this effect involving the Westland Lynx helicopter, which would then be made under licence in Egypt, could be signed soon as a result of a recent revival of Egyptian interest

in the project. Discussions on a similar arrangement over Swinghore are still continuing, while a third possibility embraces the production of a light strike/trainer aircraft—with the British Hawk and the Franco-German Alpha Jet competing for favours in Cairo.

It is in the interests of the Western powers to allow these deals to go through, for several reasons. One is purely economic and another is the promotion of good relations with the Arab world. But there is a third argument too, which is that these deals help ensure that President Sadat and his moderate policies remain in power.

The break with the Soviet Union was generally popular among the Egyptian popula-

tion who disliked Russian interference and who are more interested anyway in the perquisites of peace than the chance of grabbing back a few more acres of the Sinai desert or losing their lives and their livelihood on behalf of the Palestinians.

But there has also been some doubt among the Armed Forces. A number of officers, surveying the rusting, depleted weapons they are left with, have begun to wonder if their Government was not too precipitate in severing the links with Moscow.

It is in Western interests to ally these fears, and the Americans, too, have been content to let this happen. It would be in nobody's interests for President Sadat with his moderate approach

to a Middle East solution, to be succeeded by someone more extreme who might lead the Egyptians back towards Moscow.

But neither Britain nor France is in a position to provide Egypt with a military option. The most they can do is to put Egypt's existing equipment back on the road and help towards the establishment of a home-based arms industry—for the manufacture of fairly simple, defensive systems. Not only is Britain unwilling to provide new front-line systems which might weaken Egypt's military ambitions, but its industrial capacity is probably not large enough to enable it to do so anyway.

According to the Military Balance, published by the International Institute for

Strategic Studies, Egypt's Armed Forces now total 345,000 and are based upon three-year conscription. Of these, 300,000, including 75,000 in the Air Defence Command, belong to the Army. About 35,000 serve in the Air Force with its 300 combat aircraft including those which are short of spares.

Already 42 Anglo-French Gazelle helicopters and six British Sea King and six Commando helicopters in the aircraft inventory provide evidence of Sadat's new pro-Western policies. The 20,000-strong Navy, too, now has Sea Kings and British hovercraft among the more familiar collection of Soviet craft—and 30 Franco-Italian Otomat anti-ship missiles are on order.

This all adds up to a force which should be adequate to hold on to what Egypt has already won. This might not be so, if Israel saw it to be in its interests to launch a sudden, devastating assault on Egyptian positions, but the likelihood of that would seem to be remote.

On the other hand it is not a force which looks capable of entertaining a military option, given Israel's present military strength. It is thus in the interests of the Armed Forces as much as President Sadat to work for a just and lasting peace in the region and the West wants to keep it that way.

The author is Defence Correspondent, The Times.

Help from other Arab states staves off bankruptcy

Irene Lycett

However, with medium-term loans now maturing Egypt has to pay off about \$5,000m in foreign loans before 1978 is through. Although it is already re-scheduling some of these debts (notably those with communist countries), there is little possibility of Egypt coping with its repayments without further large-scale Arab financial assistance.

The feeling in Cairo is that Arab states may have to forgo the luxury of calling their subventions loans. Although GODE's money is available at highly concessional rates (on average 5 per cent interest repayable over five to seven and a

half years with five years' grace), it is doubtful if Egypt will be able to make its first repayments in 1980 as is due.

GODE's remitance to Egypt have covered a wide range of financial transactions. The organization opened with a loan of \$250m starting from January 1977 to assist with balance of payments. It underwrote a loan of \$250m together by Chase Manhattan Bank in March 1977 to pay for commodity imports.

It provided a further \$825m in two parts—\$475m to pay off short-term loans and \$350m used for a mixture of balance of payment support

and project aid. Of this latter tranche, \$350m is supposed to be used to finance projects in industry, agriculture, housing, transport and communications, but it is unlikely to be spent that way.

It will probably be absorbed by the need for further short-term loan repayments. Remarkably little Arab aid has been directed towards development projects. Economists have tried to convince Arab governments that expenditure on communications and services is required if Arabs are to benefit from commercial investment opportunities in Egypt.

Altho Arab governments have spent \$16,000m in the Arab cause against Israel,

Arab financiers were at first unwilling to do much to create the conditions for secure investment in Egypt. They preferred quick monetary returns in other countries.

As they became aware of President Sadat's determination to come to terms with his financial difficulties, Arab governments did at last begin to assist him. Saudi Arabia this summer agreed to pay all Egypt's military costs until 1980.

After the riots of January, 1977, Arab governments promised not to call on their \$2,500m in demand deposits at the Central Bank of Egypt before at least 1980. But that assistance was in the form of

undemanding financial transactions. There was little commitment to development projects which need searching out and working through.

In spite of widely reported grants by Arab states to reconstruction and development in Egypt, the General Authority for Arab and Foreign Investments and Free Zones (GAAIFIZ) disclosed in November that only \$705.3m had come through in development assistance from Arab countries. The Kuwait Fund for Arab Economic Development had contributed \$191m, the Arab Fund for Economic and Social Development \$188m, the Abu Dhabi Fund

for Arab Economic Development \$34m and the Saudi Development Fund \$223m to projects extending from Suez Canal widening to sewerage and electricity projects, and to railways and telecommunications.

In addition, Arab governments such as Saudi Arabia, Kuwait and Abu Dhabi donated sums for the reconstruction of the Suez Canal region immediately after the 1973 war, and their generosity is remembered in the names Faisal City and Zayed City, suburbs of Suez and Ismailia.

If Arab states have been slow to provide development aid, they have been even slower in generating private

commercial investment. Some Arab private investment has been put to imaginative projects such as that of Mr Abdel Mohsen Karam, the Kuwaiti investor who has bought a 49 per cent share with Tiber Metals Engineering of the United States in the Arab Aluminium Company, which produced its first commercial extrusions in October.

The United Arab Emirates-backed Ismailia Transport Company is contributing to the revitalization of the Ismailia business in Egypt. But on the whole, private Arab investment in Egypt has been slow to provide development aid, they have been even slower in generating private

business, symbolized by the mammoth plans of the Saudi-financed Egyptian Tourist Development Company for a tourist complex near the Giza pyramids.

While the larger of these projects await additional finance, the most frequent Arab investor in Egypt is the snail who buys a villa for his business and pleasure trips to Egypt. It is not easy to convince him to invest in the rest of the country.

Arab governments must now take the responsibility of initiating development projects, and they must be careful not to demand too much of Egypt by way of business, symbolized by the moves to Islamic orthodoxy.

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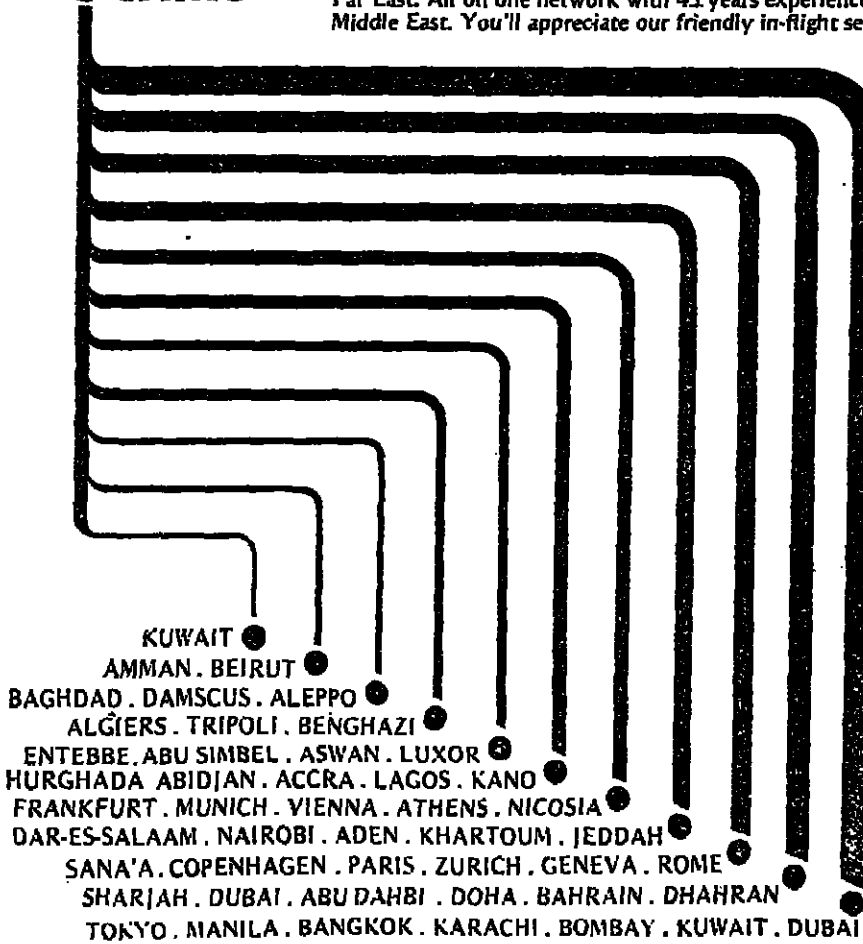
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Increased opportunities in wake of strife

by Robert Mabro

The October War of 1973 marked the beginning of a distinct phase in the development of the Egyptian economy. New and challenging opportunities emerged because of the oil price revolution, the strengthening of political and economic links with rich Arab countries, the liberalization of the economic system, and the reversal of Egypt's international alliances in favour of the United States and the West.

This new phase produced significant increases in foreign-exchange receipts. Egypt gained access to considerable sources of financial aid—Arab, Western and multilateral. The capacity to earn foreign exchange was also enhanced in a variety of ways.

The reopening of the Suez Canal after the signing of disengagement agreements with Israel is bringing much-needed revenue. The expansion of tourism, a spill-over of Arab wealth and a direct benefit of the opening-up policy, is making significant contribution to earnings from invisible exports.

The remittances of Egyptians working abroad are also growing at a high rate, not only because the number of emigrants has increased but because of enhanced confidence in the liberal intentions of the regime. Finally, the higher oil price revolution has suddenly led to a significant appreciation of Egypt's hydrocarbon resources. The country, now emerging as a net exporter of crude petroleum, is in a position to benefit from high oil prices.

Since 1973 there have been

interesting opportunities for investment and increased production. There was growth of domestic demand for goods and services, potential growth of foreign demand for exports as well as opportunities arising from Egypt's location and wealth in human resources in the booming Middle East. The liberalization of the economic system was a conscious policy, whose twin objectives were to encourage the domestic private sector and to mobilize Arab funds and Western technology for the development of the country.

Nevertheless, the achievements of the Egyptian economy in 1973 were extremely disappointing. It is now just as conventional to speak of the difficulties and insuperable economic hurdles faced by Egypt as it was in late 1973 and 1974 to speak of impending miracles and imminent economic take-off into sustained growth. The truth is that the exciting opportunities which elicited so much optimism at a time when the development of the economy was faced with formidable obstacles, some old and familiar, difficulties inherited from the past, some new and unexpected problems transmitted by the world economy.

The Egyptian economy since 1973 was already burdened by a foreign debt accumulated over the years since the early 1960s. Economic performance was leaving much to be desired since a significant appreciation of the rate of exchange, growth and more alarmingly, the rates of investment and of productivity growth achieved between 1964 and 1973 were very low; the balance of payments was consistently in

deficit; and a significant proportion of the industrial capacity was under-used.

There was trouble with agriculture, too, as much of the investment effort was devoted to high costs and for low return to the reclamation of new land while the fertile old land was neglected. Low investment resulted in the deterioration of communications and services which were neither properly maintained nor expanded at a rate commensurate with demand.

Egypt entered the era after 1973 impoverished, burdened by debts and heavy defence commitments and ill-equipped to take full advantage of the economic boom in the Middle East. Things were made worse by a sharp deterioration in the external terms of trade. The price index of raw agricultural imports rose from 100 in 1969-70 to 318 in 1974, and the country is a big importer of food grain, the basic staple of the urban population. The price index of cotton, the main export, rose to only 231 in the same period. Factors other than the terms of trade combined to produce huge deficits in the balance of payments on current account. Imports volume rather than domestic production increased in response to the growth in demand.

The Government, in order to remedy some of the imbalances, has been pursuing a policy of import substitution, had to import larger quantities of intermediate and capital goods. The replenishment of stocks of food and intermediate goods, dangerously depleted in 1973, also called for increased imports. In 1975 the balance of payments

deficit on goods and services reached the unprecedented level of \$2,500m, equivalent to some 25 per cent of gnp.

In many respects 1975 was perhaps the worst year of recent Egyptian economic history. The balance of payments, still very serious, showed signs of improvement in 1976 and 1977. The foreign debt also improved in the second half of 1977 as Egypt was then able to repay the large arrears that had accumulated in respect of short-term loans.

But this is no miracle. After the meeting held in Paris last May of the Consultative Group for Egypt, which brought together under the chairmanship of the World Bank all the main aid donors, the country received in hard cash, in roll-over of central bank to central bank deposits and in new credit lines some \$4,000m to \$5,000m.

Those improvements are far from constituting a complete cure. The imbalances of the external account are likely to remain significant for many years and the burden of the foreign debt will continue to be felt and to constrain the economy well until the end of the 1980s.

Egypt's economic difficulties are to a large extent structural, which does not mean that the management of economic policy has no role to play. The new economic system is something of a hybrid which has retained some features of bureaucratic socialism and acquired the defects of capitalism rather than its expected merits.

Egypt will need much foreign aid for some years in

order to remove the structural imbalances that mar the economy. Ideally aid could provide a long breathing space during which far-reaching policy reforms would be implemented. The main policy issues are not the removal of government subsidies to consumer goods and some tinkering with exchange rates and import lists.

Policy reforms should begin with investment. Investment policy and public sector procedures for the selection of projects leave much to be desired. Funds have been allocated in the past to uneconomic projects which litter the industrial landscape. The same mistakes are being made in the new plans.

The Government should take a hard look at agriculture and promote a revolution in methods of cultivation and in the crop mix. Egyptian agriculture still operates on a pattern introduced in the late nineteenth century: it served the country well but is now obsolete.

The time has come for defining a national policy and for evaluating the educational system for much-needed changes and reform.

Egypt has to face the long-term questions of its economic development. Peace in the Middle East is perhaps an essential precondition and the recent initiatives of President Sadat may be partly explained by this concern. But peace, however necessary, is not sufficient alone for economic development. Much effort will have to be spent on the internal front.

The author is director, Middle East Centre, St. Antony's College, Oxford.

Open-door policy shows up inequalities

by Edward Mortimer

No aspect of President Sadat's policies is more hotly debated in Egypt than the "infitah" or "opening-up" of Egypt's economy to foreign capitalist investment. More than a mere policy, the infitah can be seen as the guiding philosophy of the regime and of the new Egypt that Mr Sadat would like to build.

Much of his criticism of the way Egypt was run under his predecessor boils down to the simple observation that Nasser's Egypt was a closed system which left little or no room for individual initiative in either the political or the economic spheres.

Egypt, he said in a speech to the People's Assembly on November 9, would never return to the Marxist socialism of the distribution of poverty. But he went on to admit that without a fair distribution of wealth the country would remain "a breeding-ground of envy and hatred".

That is the trouble with the open-door policy in its present form, or at least in its present phase. It conspicuously brings great wealth to a few while at the same time, by fueling inflation, it aggravates the poverty of the many.

The door has been opened not only for foreign capital but for foreign goods. The Egyptian upper-middle class has rushed to buy western consumer goods which were hitherto not

available. Probably the quickest way to get rich in Egypt today is to have the agency for a major foreign producer of cars, speed boats, transistors, whisky, or even soft drinks, then invest the profits in property speculation and construction—a sector where the influx of "new money" and sumo residents from the Gulf has driven rents and prices sky high. Investment in manufacturing industry offers a puny return by comparison.

Perhaps the most trenchant critic of the present economic policies is Dr Lucif Abdul-Azim, editor of the economic weekly *Al-Ahram* Iktisadi. He has been involved in a public polemic with the group of economic experts in the Government, led by Dr Abdul-Moneim Kaisoury, deputy Prime Minister. In his view, the group has allowed its policies to be dominated by the short-term need for foreign exchange liquidity, instead of seeking solutions to the basic structural problems of the economy.

"We can't keep on using our 'open door' to import food," Dr Abdul-Azim says. "They are always making announcements about new loans, but never anything about production." In fact, Dr Kaisoury does also make announcements about foreign investment. For instance, he recently gave a figure of \$2,000m for the total capital of projects approved by the Egyptian Investment Authority as of June 30, 1977, since it was set up in April 1975.

This figure needs to be looked at rather carefully. Although Dr Kaisoury served to include the total capital of the projects in question, many of which involve Egyptians as well as foreign investors. Second, the fact that a project is approved by the authority does not mean that it automatically goes ahead. In the case of projects involving American investors, for instance, out of \$3,500m approved since 1975, only \$141m are so far in production.

Many projects subject to delays

It is hard to say as yet how much of this shortage of nearly 90 per cent simply reflects delays in getting projects off the ground, and how many have actually been abandoned. Some bankers serving with extensive Third World experience argue that in a country in Egypt's situation two years is a perfectly normal gap between pledging finance for a project and actually disbursing it.

Another point about Dr Kaisoury's figures is that roughly half of them are accounted for by banks rather than directly productive investment, and so far foreign banks have been

much more active in financing the import boom than in industrial projects. But the bankers themselves argue that they have provided valuable competition for the public sector banks, and have also been instrumental in persuading their parent banking organizations to set higher limits on loans for Egyptians projects.

It is certainly true that many projects are subject to delays, but it is also true that many of these delays are of a type to discourage the investor. Most observers agree that the open-door policy has not yet produced the results that the regime hoped for, and cite two main reasons why. The first is the lack of basic services, not only physical but psychological. On the physical side, over 30 years of war and 20 years of mismanagement "Arab socialism", Egypt is completely run down.

The state of the telecommunications network is a scandalous joke that residents of Cairo have long ceased to find funny. Transport is no better, power cuts are an everyday occurrence and industrial sites offered usually turn out to be beyond the reach of essential services, including water.

Psychologically, the trouble comes partly from an over-stuffed bureaucracy trained in the idea that foreign investment is a bad thing and unable to adjust to the new philosophy. But this bureaucracy is also underpaid, and apparently irrational delays in getting

things done can often be overcome by the time-honoured and highly rational method of *baksheesh*.

The second factor that deters foreign investors is political uncertainty—the fear of either another war with Israel or a political upheaval in Egypt itself leading to a reversal of the open-door policy and a freezing of foreign assets. President Sadat is well aware of this, and his visit to Israel may have been intended to demonstrate not only his determination to reach a peaceful settlement with Israel but also his regime's ability to survive one.

On the more technical level, the regime has moved this year to remedy some of the defects which investors had discovered in the original Law 43 on foreign investment passed in 1974. An amending Law 32 of 1977 allows Egyptian currency to be held for investment at the "parallel" rate of \$145 to the EE instead of the official rate of \$2.56, and removes the requirement that "inland" projects (as well as those in the free zones) should cover all their foreign exchange needs through exports.

This is important because many foreign observers believe that the Government's main mistake so far has been its absorption with exports and foreign currency earnings, whereas the unique attraction of Egypt for foreign investors is its domestic market of 40 million people.

Living with the worst phone service

by Alan Mackie

There is a story told that when the West German Bundespst was called in to look at Cairo's telephone system, they found the whole network dependent on two 22-year-old switches that could go at any instant. This fitting story illustrates the parlous state of Cairo's telephone system, which has earned the Egyptian capital the dubious description of being probably the worst city in which to operate in the world.

The resident who has seen the telephone service deteriorate gradually has a different perspective. He comes somehow. Many offices in Cairo have their own "telephone"—an errand boy. But in a city with such a widely scattered business community, this is not always practicable. Those living in the outskirts of Heliopolis, a two-hour journey from the centre of the city in the rush hour, use the telex to communicate within the city, if they are fortunate enough to have one. And sometimes that breaks down.

The worst period was probably during the summer when all but eight of the airport's 58 lines were put out of action and whole sectors of the town were without a telephone at all.

Now the telephone works in some areas and should improve in others as a new cable system being laid by the West German company, AEG Telefunken, begins to make an impact. Raytheon

of the United States is installing a \$10m digital microwave system, which will quadruple present line capacity when it becomes operational next year. By the end of December, new earth satellite stations will be opened, supplementing existing international telecommunication links a direct link between Alexandria and Beirut was opened earlier this year.

The effects of the \$90m Egypt will be spending on telecommunications this year—French, Japanese and British companies are involved in telephone renovation as well as the companies already mentioned—will not be felt until the second half of next year. Then, central Cairo will have a usable telephone system.

But this will only be the start. As other exchanges in outer Cairo are renovated, tenders for \$140m worth of contracts will be invited which will not only modernize Egypt's telephone system, but will triple the existing 350,000 telephone lines in the next 10 years.

The contracts in question will include telephone cables, PABXs, telephone cables, manual switchboards, 1,500 teleprinters, earth satellite stations for an Arab satellite system, and computer controlled message retransmission telegraph centres.

Breaking the telephone log-jam in central Cairo will have an immediate effect on the whole communications system. Being able to use the telephone will remove the necessity to make many

journeys, thus relieving some of the pressure on the roads, which in Cairo are badly overloaded.

Attempts are being made to improve traffic flows, but the steadily increasing number of vehicles on the roads. In turn, more buses and taxis on the streets are not sufficient to meet the increasing demand.

It is becoming increasingly clear that it is impossible to tackle Cairo's communications problem without some form of demographic policy which will relieve and eventually halt the flow of people to the capital.

Plans drawn up for Metro system

This human pressure on Cairo's limited resources must make the French Metro scheme more attractive. Plans for a two-line Metro have been drawn up by the Société Française d'Etudes et de Réalisations de Transports Urbains (Sofretu). However, 180 million francs of the 560 million francs needed for the first phase development of the line has yet to be found.

The national railway system is to have a large cash injection—\$67m has been allocated to renovating rolling stock, installing new signalling and doubling railway

track. New railway lines are envisaged for the Delta, as well as a link eventually between Aswan and Wadi Halfa in Sudan. A further \$29m is being spent on improving the Egyptian railway network. This could eventually become the Egyptian leg of a trans North Africa railway line.

Transmark, the consultancy wing of British Rail, has recently won a contract to advise on reorganizing the railway. British Rail engineers will take an inventory of traction and rolling stock which will relieve and eventually halt the flow of people to the capital.

Egypt's road network is in reasonably good condition. Major developments planned include paving the 210 km road to the Western Desert oases of al-Farafara and al-Beheira where underground water has recently been found. Plans are also in hand to build a \$176m road linking Egypt and Sudan for completion in six years.

There is also a project to develop port capacity. The most important and immediate is one to develop the port of Alexandria where congestion is such that there are about 80 ships waiting outside the harbour to unload. The World Bank is participating in a \$150m scheme to raise the port's capacity to 15 million tons of goods and seven million tons of oil a year by 1980.

There is also an ambitious plan to build a new port complex at Port Said which

will raise its capacity to three million tons by 1980 and 10 million tons a year by the year 2000. Another port is planned at Damietta to serve the fruit and exportable-growing hinterland of the Delta. Egypt hopes to take advantage of easy shipping credits to build a fleet of 65 vessels by 1981.

Air transport is going through a major transformation. A great deal has been done (as it has in the port) to reduce customs and immigration formalities at Cairo airport. In progress is a \$25m building improvement scheme for the airport which includes building strengthened runways to take wide-bodied aircraft.

When the new passenger terminal building is completed in 1985, the airport's handling capacity will have doubled to 10 million passengers a year. Tenders for a new computerized radio control system for the airport are being invited.

Included in air development plans is a new \$30m airport to be built 30 km west of Alexandria, and enlarging Aswan and Luxor airports to take international traffic.

Egypt's airline, Egypt Air, is making good progress. It is constantly enlarging its fleet. There are believed to be plans to buy Boeing 747 jumbo jets. It plays a leading role in the Arab Carriers Organization, the official Arab airlines organization, and in its development.

The author is on the staff of the Middle East Economic Digest.

هكذا من الاصل

Our ancient ambassadors would be proud of us.

Five years ago London saw what was to prove to be one of the most exciting and popular exhibitions ever staged in Europe.

Displayed in the British Museum, the treasures of Tutankhamun were to stimulate the imaginations of all who saw the exhibition. An interest in Egypt, dormant in the minds of countless men, women and children, was stirred by the breathtaking beauty of the boy King's golden mask, and the fabulous wealth of riches embodied in the artefacts recovered from his tomb.

In all, over one-and-a-half million people queued to see Tutankhamun in London. At any one time there might be a wait of as much as eight hours before visitors could gain admission to the Museum. Even on the very last day of the exhibition's phenomenal and unprecedented run, people were still hoping to gain admission, only to be turned away as the doors closed for the last time.

Now such scenes are anticipated in cities throughout the United States of America. In Washington DC, where the exhibition's tour began, it has been as popular as it was in London. And, in New York, where the Metropolitan Museum of Art published a specially commissioned illustrated volume priced at \$35.00, Tutankhamun so caught the public's imagination that the first edition of the book was sold out in a matter of weeks.

Thus, the first of Egypt's 'ancient ambassadors' has done much to rekindle interest in a country whose history goes back to a time when, over 3,000 years before the birth of Christ, Egypt, under the rule of the mighty Pharaohs, gave the world a culture and civilisation which has seldom been matched for its achievements and its grandeur.

An ambassador for the future

Today, while the memory of Tutankhamun still lingers on in Europe, fostered by the boy King's enchanting good looks and the fascinating tragedy of his all-too-short life, a second 'ancient ambassador' is abroad, maintaining interest in a land which, while mindful of its past, now looks forward to its future.

Rameses II, whose treasures have been on display in Paris, was one of the last great warrior Pharaohs of Egypt. A man of immense energy, he was the author of the plans to build the magnificent temples at Abu Simbel. Now moved to a new site, beyond the reach of the rising waters of the Nile as they gather and fill behind the Aswan High Dam, the temples stand as testimony to a culture and a way of life which, for centuries, has been an example to the world.



Growth for the next decade

In the last few years, Egypt has begun to re-build again.

The Government has been pursuing an 'open-door' policy designed to rehabilitate the country's economy and re-establish the country's wealth following the events of 1973. At the same time, positive initiatives have been, and are being, made by President Sadat and his Government towards the positive realisation of permanent peace, based on justice, in the Middle East.

This 'open-door' policy aims to encourage foreign investment in Egyptian-based projects with a view to augmenting the efforts being made on a domestic level.

Where once much of Egypt's industry was in public ownership, a system of management by objectives and results is slowly being introduced as more and more industrial control passes into the hands of individual companies. Free to make investments in renovation and modernisation, companies are also being given the power to determine their own levels of production, and their own prices. In the agricultural sector, producer prices are being brought more closely into line with international prices, at levels which provide incentives and rewards for farmers.

Similarly, various projects are under way to deepen and widen the Suez Canal with a view to increasing Egypt's involvement with world trade. At the same time, work is in progress to construct tunnels under the Canal to make a closer link between the Nile Valley and Sinai, in order to achieve the rehabilitation of the Egyptian Peninsula.

These moves are seen as essential to Egypt's long-term growth. They represent a firm step in the right direction, a move towards achieving a progressive growth pattern stemming from Egypt's own efforts as well as from the introduction of foreign investment encouraged by the 'open-door' policy.

New projects under way

Industry is the strong backbone supporting the national economy. It is the sector most capable of meeting the greatest aspirations for social and economic development.



Among the new industrial projects initiated recently, one of the largest is the aluminium complex at Nag Hammady. It began operating in April 1977, producing 100,000 tons per annum.

Similarly, as part of the integrated plan for economic and social development, a substantial investment is being made to extend the scope of Egypt's iron and steel industry. It is estimated that the total production of the iron and steel consortia will reach 1,558 million tons when current developments are completed.

Other projects in hand include the exploitation of the Baharia oasis and the expansion of the country's lime-stone quarries and dolomite industry.

Many other projects await implementation, all of which will contribute to the breadth and scope of Egyptian industry, to the benefit of the country's people and her national economy.

Making the desert bloom

Egyptian farmers were among the first to practice organised agriculture. Through the ages this expertise and knowledge has been developed, nurtured as it is by the natural gifts of an equable climate and the life-giving waters and fertile soil of the Nile Valley.

Now Egypt is transforming barren desert into productive farmland. The rock-strewn, dry, sandy areas of the Western desert, once fertile and productive, are again becoming lush, green fields. The desert is being given new life. Numerous reclamation projects are in hand to prepare the neglected land for cultivation, production and permanent residence.

The most exciting of these projects is at Tahrir Province where water was discovered 150 feet beneath the Sahara. Between 1960 and 1969 alone, nearly one-and-a-half million acres of land were reclaimed. Families and experienced farmers, backed by modern machinery and scientific expertise, moved into the area, and now raise wheat, beans, sugar cane, lettuce, strawberries, citrus fruits, radishes, squash, beets, corn, barley, artichokes and other crops.

Again in the Western desert, 100 miles from Luxor and the Valley of the Kings, another reclamation project is taking place. A region that has seen rain only once in 100 years is being converted from an infertile crescent of unproductive wasteland into a food-growing area of several millions of acres. This 'New Valley' which runs parallel to the Nile, was one of the most fertile areas of the world during the time of the Pharaohs. It was once inhabited by 8,000,000 people.

Extremely rich in natural fertilizers, the soil in this reclaimed area now produces crops of rice, corn, barley and alfalfa. Co-operative farming, cattle and fish breeding programmes complement plans to develop industries in an 8,000,000 acre area rich in proven reserves of gold, iron, phosphates and coal.

A reflection of history

When, in 1922, Lord Carnarvon asked Howard Carter what it was he could see as he peered into Tutankhamun's tomb, Carter replied: 'Wonderful things. I can see wonderful things'.

Today, fifty-five years after their discovery and thousands of years since they were made, the 'wonderful things' from the boy King's tomb are still a fascination to the world. Their brilliantly executed craftsmanship and design alone belie their age, giving evidence of Egypt's majestic achievements as a nation in the forefront of almost every aspect of cultural, political and economic thought.

And, as the patterns of world trade change, as the features of the earth's face alter with each passing generation, the treasures of Tutankhamun and Rameses II remain immutable as 'ancient ambassadors' for a country which, with its forward-looking outlook and strong sense of purpose, is committed to a programme of growth and development the Pharaohs would be proud of.



ARAB REPUBLIC OF EGYPT

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Young fellahin from overcrowded rural areas working on an olive-growing project in a desert region.

Agriculture in need of radical reform

by Andrew Lycett

Egypt is not feeding itself. In 1975 it was only 73 per cent self-sufficient in food, and that figure is falling. In 1977 its agricultural exports were estimated at \$1,200m (80 per cent from cotton) while its agricultural imports will top \$1,800m, leaving a considerable deficit which will not be covered by textiles, leather or other secondary products.

Last year Egypt needed to import four million tons of wheat to supplement its own production of two million tons. Yet the Government is not particularly worried. It appears to have convinced itself that a certain amount of reliance on cheap foreign staples is not a bad policy, particularly if these are financed on concessionary terms as is American PL 480 wheat.

What if it accepted that

it is not going to reclaim much more land? What if it stopped trying to plant more unsuitable cereals? What if it used the advantages of its magnificent natural conditions and sought to grow more cash crops, particularly fruit and vegetables? It could then generate profit and foreign exchange to pay for the requisite staple foods.

This is the unspoken rationale at the heart of President Sadat's plan for a 30-month food security programme. The President used the occasion of the twenty-fifth anniversary of agrarian reform to call for self-sufficiency in fruit, vegetables, meat and dairy products by 1980. He also said that Egypt should become a net food exporter.

As an earnest of his intentions he appointed a relative by marriage, Osman Ahmed Osman, to investigate the possibilities of developing the

Suez Canal hinterland as a vegetable and fruit producing area. The President also spoke of similar possibilities in the New Valley, and along the north-western coast. To cap it all, he indicated that eight joint venture agro-industrial projects worth \$287m were to start, ranging from a 50,000 acre Franco-Egyptian sugar project at Kafr el Sheikh to a Saudi-Egyptian fruit and vegetable export business.

How feasible is such a food security plan with its attendant agro-industrial projects? The story of the cotton industry, which earns 80 per cent of Egypt's foreign exchange, would indicate a positive reply.

So would the combination of Egypt's fertile soil and abundant sunshine and water. The elements have been so kind to Egyptian farmers that output from the country's six million acres has been increased consider-

ably through double cropping.

But this is as far as a rosy assessment of the situation can go. Egyptian agriculture is really in decline, with static land area and falling crop yields. Production of fruit for export may be a useful source of revenue in addition to existing production of staples, but it is no substitute for radical reform of agriculture.

Agriculture has suffered recently partly because it has been the one section of the economy with enough fat to be squeezed in times of financial scarcity. Consequently its share of national income has been dropping progressively to a mere 3 per cent in 1975 (and this for an activity which employs half the nation's workforce).

In Nasser's days massive funds were invested in heavy industry. Not surprisingly Egyptian peasants flocked to

cities where jobs were supposedly being generated. The towns expanded and valuable agricultural land was taken up, often by state industries. About 25,000 acres are lost each year to urban sprawl.

If an equivalent amount of land is reclaimed each year, as independent experts believe, then Egypt is simply marking time, trying to feed one million extra mouths each year on a static acreage. Government officials claim, however, that close on a million acres has been reclaimed in the past two decades. They say this reclaimed acreage will allow expansion of both population and agriculture in the future.

Their estimates are high; a more realistic figure for reclaimed land is 300,000 acres. Further reclamation is reliably reported to be prohibitively expensive. Whereas 300,000 acres have been claimed back from the desert and Nile Delta at a

cost of \$700 an acre, an acre of reclaimed land is estimated at \$2,000 an acre.

No private company is likely to invest in agriculture if it needs to find investment money. The United States Agricultural Council has already balked at the cost of establishing joint ventures in Egypt. Massive amounts of government aid are necessary if reclamation is to be viable.

Meanwhile established farming is languishing under the various constraints of poor basic services, inefficient bureaucracy and much water. Egyptian agriculture has recently been highly centralized, with the Government first defining the ratios of crops to be planted by peasants, and then buying up these crops at artificially low prices.

The Ministry of Agriculture has benefited from being able to sell profitably on world markets. The peasant has suffered from precious little capital to invest and has consequently resorted to growing black market crops (this growing of fruit and vegetables anticipates official action). Those resources he has had at his command he has over-used. When the Aswan Dam brought plentiful year-round water to Egyptian farming, peasants responded by overwatering.

This practice raised the water table to dangerous levels, and helped to remove valuable salts from the soil. The World Bank has had

to step in rapidly and

propose to modernize agriculture, bringing in the kind of project passed by President Sadat. The Ministry of Agriculture believes Egypt has been back by its inefficient sector which, according to its estimates, consumes produce from one of the country's planned

age. The solution, Ministry says, is mechanizing and rationalizing. However, it is able to large-scale intensive agriculture answer for Egypt's stage. Basic services marketing facilities improved first. It is producing expensive gains, for instance perish before they

Similarly, increased stock production is a particularly viable for a population, the more whom eat meat only year. Anyway, now believe the diet of beans is as meat. Happily, with intensive agriculture the Government pointing the way a sort of decentralization decision making. The peasant has been a phenomenon. There is no reason given non-interference modicum of rural he could not be so

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Births of a nation defy easy answers

Professor Alex Moeller, President Sadat's special economic adviser, is the latest person to draw attention to Egypt's need for a positive family planning policy.

In his recent report on the Egyptian economy, the professor states that even if Egypt's current family planning measures are successful, the country will still have to find employment for five million additional people by 1990 and about 10 million by the year 2000. An "effective employment policy" and educational reform oriented "towards the need of the productive sector" are therefore called for.

Indeed, without the will to cope with a wide range of problems caused by explosive population growth, it is difficult to see how any of Egypt's careful plans for economic development can be successful.

First returns from the November, 1976, census paint a bleak picture of an Egyptian population of 38,200,000 growing at a rate of 2.4 per cent, or more than a million a year. At this rate of increase, the number of Egyptians will have doubled by the year 2000.

Even if the Population and Family Planning Board (PEPFB) were to keep to its official policy of reducing population growth rate to 1.1 per cent by 1982 (and it has been remarkably unsuccessful so far), there would still be 36 million Egyptians in 2000, or 10 million more than in 1976.

How is Egypt to provide food, schooling, social services and work for all these people? The solution will be difficult because a substantial inability to determine whether Egypt is a developing country demanding radical solutions to its problems or merely a large market, with a skilled population, on the fringes of Europe, is likely to achieve economic development.

These divergences mean that Egypt's family planning strategists have been unable to decide whether population "consciousness" means industrialization and education, as in Western countries, or whether economic development comes only in the wake of far-reaching population programmes.

The dilemma becomes a political and economic one. Should economic planners go for capital or labour intensive policies? After the October war of 1973, Egypt chose capital-intensive development and population experts have been warning of a decline in birth rate, would surely follow economic development.

Today opinion is different. The Minister of Health, Dr Ibrahim Badran, obviously feels it is time to put a stop to Egypt's previously vacillating policy on family planning. This year for the first time the ministry's family planning service ceased to be a one-man operation. The service has been upgraded enough to warrant a director-general with seven supervisory departments under him.

But this move has to be seen in the context of previous attempts to motivate a policy. Nominally there has been a national commitment to population control since November, 1965, when the Supreme Council for Population and Family Planning (SCPPF) was established. In 1971-72 the Supreme Council formulated a 10-year plan which, starting in 1973, sought to reduce the rate of population

growth to 1.1 per cent. In the next two years, however, it became clear that the plan was not working. Rate of population growth was double that projected.

The causes for this were not hard to find. Poor training and unrealistic terms of service ensured that doctors at the Ministry of Health's 3,000 medical centres and units had little commitment to their job. As late as this year medical students in Cairo university were being treated to one hour's advice on family planning in seven years' professional training. Doctors were paid £1.10 an hour, an incentive device, but financial incentives meant that they were concerned only to supply the maximum number of contraceptive without bothering to give follow-up advice to their patients.

Inevitably there were complications, which the doctors were unable to deal with. Peasants, previously in favour of trying out family planning, turned against it and were encouraged to do so by religious leaders. All problems were exacerbated by the usual Egyptian departmental difficulties. The result was that national agencies such as Unicef decided it was wast-

ing its money on family planning programmes and chose to concentrate its resources on vaccination and mother and child health projects, in which returns were more apparent.

The failure of an isolated family planning programme has caused the Egyptian Government to make a more integrated approach to the problem in its crucial five-year development plan (1976-80). Twenty-six per cent of the planned total investment is being allocated to rural areas. A sum of £3,624m will be spent on improving communications, housing, agriculture, health and education in the countryside. This should help family planning services to reach the peasantry. At the same time education is slowly being restructured to produce skilled technicians suitable for a developing country rather than barely educated university graduates who are guaranteed government employment by virtue of their degrees. This year for the first time environmental studies, including some discussion of family planning, were introduced into the school curriculum.

But curriculum revision takes a long time in Egypt, so it is doubtful whether its youthful population (31.6 per cent were under the age of 12 in 1976) will reap the benefits. Indeed they are likely to end up unemployed as the five-year plan envisages creation of jobs for only 1,200,000 people.

The Government hopes to cater for these masses through a back-up and increasingly formulated policy of population dispersal. Hardly a speech from the President passes without reference to massive successes in land reclamation and redistribution. The Government hopes to help the movement of landless peasants on to this allegedly reclaimed land, as in the new valley where a million people will eventually be resettled.

Emigration to Arab countries will also help to take up the excess population. But there is nothing to compare with an aggressively executed family planning programme integrating the plans of various ministries to deal with the expanding population.

It is just possible that such a policy is beginning to emerge, but it still needs more positive commitment from the highest authorities.

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Tourism a casualty of war

by Atef Sultan

Despite Egypt's unrivalled opportunities, its tourist resources are still largely untapped. In recent years, the country has taken a meagre 0.25 per cent of the world's tourist traffic and less than 0.5 per cent of world tourist spending.

Last year the number of Egypt's visitors was up by nearly 25 per cent, but totalled only slightly less than one million. Visitors spent 6,796,080 nights and brought in an income of £176m (£145m at the tourist exchange rate). While income from tourism rose by 60 per cent in 1976, it still represents only a small fraction of the \$2,000m earned by Britain and is dwarfed by the \$4,000m spent by tourists in Spain.

Egypt's inability to attract mass tourism is not only due to the serious lack of adequate facilities but also to three decades of Middle East political instability and wars that have spoilt the prospect of a flourishing industry.

The 1967 Arab-Israeli war, for example, had reduced the number of tourists visiting Egypt by 40 per cent to only 445,000 in 1968, and by another 7 per cent in the following year. It was only eight years after the war that even the 1966 modest figure was recovered and the number of tourists began to show some appreciable increases. But this is not all. The number of tourist nights spent in Egypt in 1976 was still 65,000 short of the early 1960s average.

The devastation of the Lebanese tourist industry, a major Arab favourite before the civil war, has opened up new markets in Egypt. Visitors from rich Arab states have increased steadily and with Egypt's new open door policy, the influx could grow faster. Arab visitors created by 22 per cent to 534,331 in 1976, from the previous year. But what is more important is that Arab visitors tend to stay longer than Europeans or Americans. Although they account for 45 per cent of all visitors, the Arabs' share of nights spent in Egypt is more than 50 per cent.

But Egypt's tourist market is prone not only to serious changes in the Middle East political (and military) climate but also to Egypt's relations with other Arab states. The two biggest sources of tourists have recently been Saudi Arabia and Libya, followed by the United States which is now taking a rapidly increasing share.

Although Libyan visitors were outnumbered by Saudis in 1976, Libyans spent 682,512 nights, 10,440 more than the figure for Saudi Arabia. But with relations continually deteriorating, fewer Libyan visitors now go to Egypt. This has already been reflected by a 13 per cent drop in tourist nights spent in Egypt in May this year, compared with last year's figure. And in the first five months of 1977 visitors totalled 281,233, down from 298,000 in 1976.

In the early 1960s Egyptian tourist offices abroad advertised what was then "the world's cheapest country" as it was then described by the United Nations. Now, this is no longer true. While it still costs less than £5 for a first-class rail round trip between Cairo and Alexandria, Cairo's hotel charges are generally as high as those of more expensive West European capitals.

First-class chain hotels now charge up to £E35 a night a person while less luxurious ones still charge up to £E20. A bottle of whisky fetches £E30 while a single glass costs a remarkable £E6.50.

Now Egypt has been opened once again to foreign investors, many businessmen, bankers, consultants and politicians are flocking into Cairo. The pressure on hotel accommodation in the capital has been so acute that booking a room in one of the city's six luxury hotels can take up to three months. Even then you may arrive there to be told that your reservation has been lost.

By 1980 Egypt hopes to have increased the number of hotel rooms from 21,000

to about 65,000 and to boost tourist revenue to £E500m a year.

Cairo's hotel developments include an 842-room International Hotel on the site of the famous Semiramis Hotel on the Nile, a 2,200-bed hotel, Marriott Palace, on the fashionable Zamalek island and a British-built 390-room El-Salam Hotel, described as "the most luxurious hotel and comprehensive leisure facility in the Middle East". Cairo's oldest chain hotel, the Nile Hilton, is putting up a 400-bed extension and a second Hilton is planned. But Egypt's most ambitious tourist development is the Pyramids Plateau complex in Giza by the great Pyramids and another complex at the coastal resort of Ras el-Helwan, west of Alexandria.

The 10,000-acre Pyramid Plateau, to be developed by a Hongkong firm, Southern Pacific Properties and the Egyptian General Company for Tourism, will have 10,000 beds, 5,800 villas, 5,100 blocks of flats, parks, artificial lakes, golf courses and even a giant glass pyramid for a museum and archaeological centre.

But Egyptian tourist experts, who now estimate that the country is not likely to attract more than 1,700,000 visitors by 1980, are questioning the economic viability of such vast and expensive projects. They are worried there may not be enough visitors who would be prepared for the high rates to be charged by such luxury developments.

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Significant change in cargoes along the canal

by Denis Taylor

A Japanese dredger is working in the Suez Canal yards from the relics of the Bar Lev Line, the reputedly impenetrable Israeli defence system through which the Egyptian army broke during the Yom Kippur war in October 1973.

President Sadat's Ismailia residence is on the opposite bank. It was from this canal yard that he began his journey to Jerusalem last month. The greenery of Ismailia is in sharp contrast to the bleak, treeless wastes of Sinai, a giant's hop, skip and jump across the 173km waterway.

For eight years from the six-day war until June, 1975, the canal was out of action. Now work is going ahead to widen and deepen it so that it can hope to attract more of the potential trade between east of Suez and the Western world, and the Japanese are heavily engaged in the undertaking.

Not only has the Japanese company, Penta Ocean, contracted to dredge large sections of the southern and middle sections of the Suez Canal, but the Tokyo Government has provided a loan of \$140m. A loan of \$83m is expected to be signed this month with the Japanese Authority for Cooperation and Development.

The cost of the first stage of development, due to be completed in 1980, is estimated at \$1,200m, of which more than \$600m would be in foreign currency.

The World Bank, the second biggest participant, has agreed to a loan of \$100m. Other sources of finance include the Saudi, Abu Dhabi and Kuwait development funds, the Arab Fund for Economic Development and the Islamic Bank.

The American Government has offered \$50m worth of equipment and spare parts. Contracts for dredgers, tugs, barges, floating cranes and part of an electronic traffic control system have been won by Japanese, West German, French and Dutch firms.

French and Italian crews are also dredging. An Egyptian official smiled as he pointed out that foreign companies were working on the rocky bottom at the southern section while his compatriots were doing the work on the softer stretch towards Port Said and also onshore.

Both the number of vessels and the total tonnage is still below the average for 1967. "We have about 90 per cent of the pre-1967 tonnage," Mr. Mashhour Ahmed Mashhour, chairman of the Suez Canal Authority, said. "The reason is that more than 70 per cent of the tonnage used to be tankers."

The significant change had been in cargoes other than oil. Out of a daily traffic of about 600,000 net tons, 400,000 were now in non-oil shipments. The international waterway had been reopened when the outlook for the world demand for oil, after the quadrupling of prices by the Opec countries and the spread of recession, was hardly at its most buoyant.

Furthermore, the canal was inadequate for the new generation of tankers. Those of up to 250,000 tons are allowed transit in ballast and those up to 100,000 tons when partially loaded, but fully loaded tankers are restricted to those between about 60,000 and 70,000 tons.

Mr. Mashhour hopes for improved tanker traffic as a result of improvements in the canal's capacity. But he still sees shipments of other cargoes, including containers,

growing at a much greater rate. He defined the strategy as "to achieve the maximum tonnage" keeping dues at a moderate level to help to do so. The daily income from dues is now running at about \$12m.

As well as deepening, widening and straightening sections of the Suez Canal, the first stage of development will see the addition of about 26km of by-passes, at the Mediterranean end allowing larger vessels to avoid the harbour at Port Said, and across Lake Timsah, and the Great Bitter Lake (the Deversoir by-pass).

The volume of dredging to be done in the first stage is put at 500 million cu metres, a quarter of which will be carried out by the canal authority. When that stage is finished, tankers of 150,000 tons will be able to transit fully loaded, those up to 250,000 tons partially loaded and up to 400,000 tons in ballast.

The second stage is expected to take about three years and to cost \$800m. Dredging will allow the authority to handle 260,000-ton tankers transiting fully loaded, 300,000 tons partially loaded and 500,000 tons or over in ballast. The aim is finally to double the capacity of the Suez Canal by having a two-way system in operation by the end of the century.

This conforms with recommendations by a consortium headed by Masefield Consultants, which was in favour of a phased development culminating in a dual waterway with northbound and southbound convoys using different channels.

The Suez Canal Authority is probably the most efficient organization in Egypt. It is a newly landscaped headquarters in Ismailia, overlooking Lake Timsah, and its research laboratories where

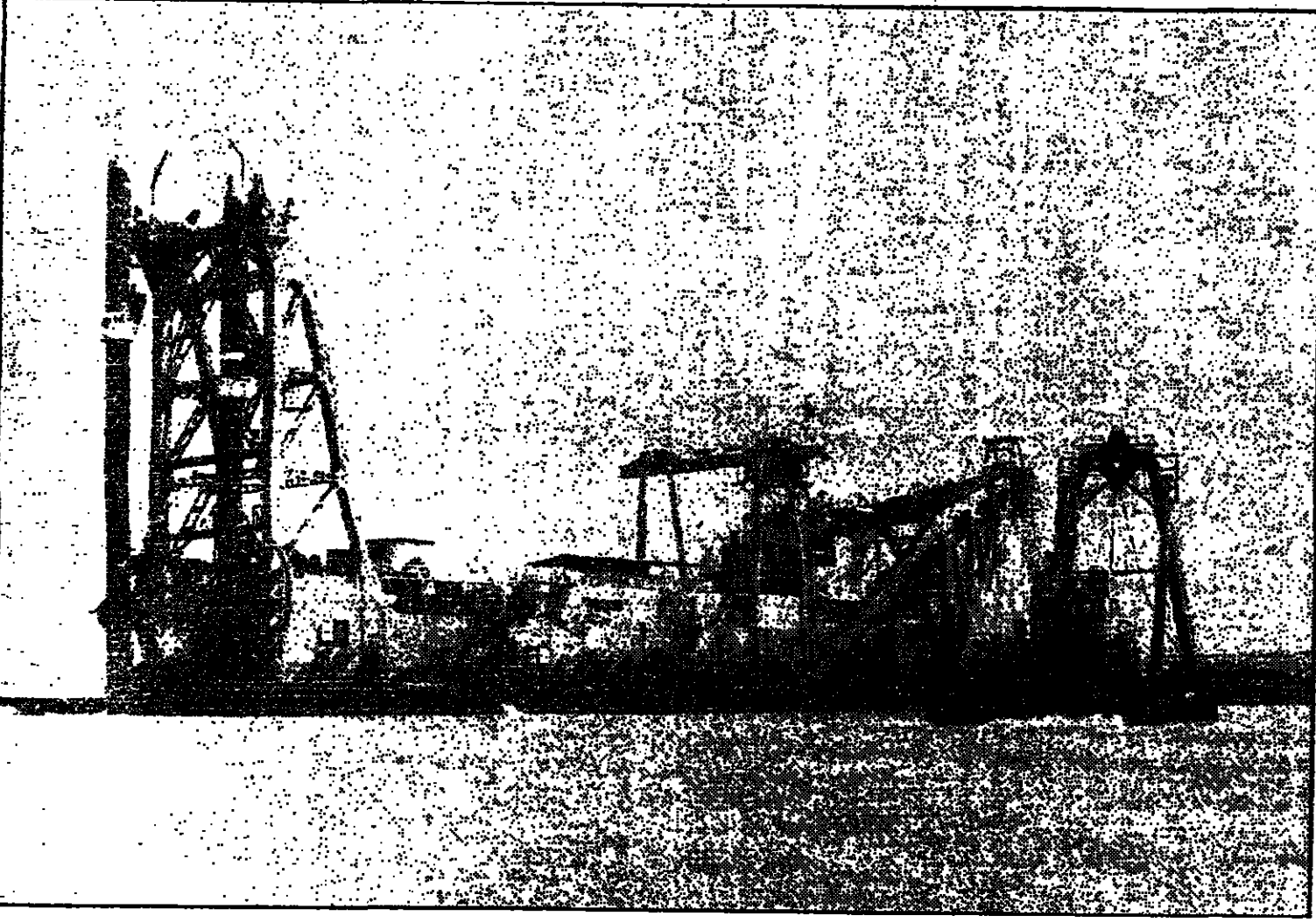
investigations are carried again whatever might

out into such questions as "happen". That is a sweeping assurance, even for a man as committed to peace as Mr. Sadat.

But assuming that peace can be secured in the region and that predictions of a continued annual increase of 8 to 10 per cent in seaborne trade between east of Suez and the West are reasonably accurate, the future of the canal looks much brighter than that of any other Egyptian economic activity.



Fishermen in Suez. Right: panorama of Cairo, whose population is now greater than that of London. Below: a Japanese dredger deepening the Suez Canal.



Slow start to industrial development

by Alan Mackie

Canal Zone development has been hampered by lack of cash while lack of confidence has meant a slow start to industrial development. But where the cash has been made available, there have been remarkable achievements.

Saudi and Kuwaiti money enabled two new townships with 6,000 new homes to be built on the outskirts of Suez in little more than two years. The two townships, known as Faisal and Sabah cities, after the late king of Saudi Arabia and the ruler of Kuwait, will eventually provide nearly 10,000 dwellings. A similar gift by the Emir of Qatar has funded a big housing development in Port Said. But these have to the main been prestige projects for middle income groups and the main problem of providing low cost housing has barely been touched.

The Egyptian Ministry of Housing and Reconstruction has commissioned more reports from the mainly British consultants who provided the three masterplans for Port Said, Suez and Ismailia. In essence these consist of demonstration projects which provide pilot schemes to upgrade existing property, new housing and industrial development. These are being financed by the Ministry of Overseas Development. The Egyptian Ministry of Housing and Reconstruction has also asked for geotechnical studies which are broader in scope. ODA is financing two of these, but the study for Port Said — potentially the

most lucrative in terms of business opportunities — is being financed by the United States Agency for International Development (USAID).

In Port Said, where Shankland Cox Partnership is preparing the demonstration project for next spring, the level of local housing redevelopment has not been had — thanks largely to the Qatari donation, and about 5,000 new housing units have been put up in the past two years. But the light industry that was to have come in the wake of Port Said being made a free city has not materialized — warehouse development has.

Yet it has become a thriving entrepot, "providing a field day for the wheeler dealers" as one observer put it and acting as a lucrative centre for smuggling to mainland Egypt. The high markup on Port Said goods has certainly dulled the ardour of day trippers from Alexandria and Cairo, many of whom feel the long and irksome wait at customs posts, not to mention the expense of getting there, is often now not worth the effort.

Most important for Port Said is the interest USAID has taken in developing its port, sewerage and water facilities. The plans are massive. They include building a new port with a capacity of 13 million tons a year and increasing repair yard facilities. This alone would take a large slice of the \$750m USAID is reported to be considering pumping into basic services in the Canal Zone over the next two decades.

Ismailia, where Clifford Culpin and Partners is preparing the demonstration project, has had more success than either Port Said or Suez in attracting industry. Like Port Said it hopes to attract light industry but is principally geared to developing agricultural and industrial projects on the same lines as the Coca-Cola joint venture to create a \$50m citrus fruit farm. This project is planned for a site near Ismailia and is awaiting Coca-Cola's removal from the Arab boycott list.

Other industrial projects are a pre-cast concrete factory, a soft drinks factory and perhaps the most successful "open door" joint venture yet — the Arab Aluminium Company which is already producing aluminium window and door frames.

Suez is perhaps the greatest challenge in the whole reconstruction programme because more than half the city's buildings were damaged either in the fighting of October, 1973, or by neglect. One of the first things the Ministry of Housing and Reconstruction did when Suez was re-inhabited was to inspect the remaining 16,000 buildings and allocate funds to their owners for repairs, or where the buildings had to be torn down, cash grants to build elsewhere.

In many cases neither the materials nor the land have been made available for these people to build new homes. Apart from the development of Sabah and Faisal cities there has been little house building. But Robert Marlow and Johnson Marshall, the consultants

preparing the demonstration project for Suez, note that local contractors in building these two cities and other projects "are working quite carefully" to the master plan.

Although there has been some industrial development in Suez there has not been enough to constitute an economic revival. There is, admittedly, the Sumed pipeline terminal close by at Ain al-Sukhna, for which housing has been commissioned. Housing is also being sought for a new textile mill being built with Iranian finance. This scheme, after many years' gestation, is beginning at last and the foundations laid.

Canal Zone development has raised problems and issues of its own. There have been technical problems — as at Suez where the clay soil (although ideal for the \$90m Al-Shatt tunnel being built under the canal north of the city) is not suited to local techniques.

Some of the first buildings raised in Suez in the reconstruction drive developed large cracks. Local construction companies like to dig deeper foundations, thus greatly increasing the cost, when the experience of British construction companies working in similar conditions in London is to build shallow foundations with a heavy concrete base.

If there is a criticism of local construction companies, it is that they tend to go for new building techniques without using the technology that they have. But they are

learning fast and the presence of joint venture companies should produce a more flexible, pragmatic approach.

Now that piecemeal development is taking place, the administrative problems of carrying out the plans are also having to be faced. Questions are being asked whether the present approach to house building is the right one.

Many now favour a more modest government presence. They say the authorities should provide the basic social services and utilities and leave it to the individual to build his home; at the most, they say, the authorities should provide the shell of a home and leave it to the individual to fit out.

Then, limited government funds will be stretched further. The Government is also encouraging home ownership; recently President Sadat assigned \$86m for home loans for those living in the Canal Zone. But the main policy decisions have yet to be taken.

Some argue that the thrust for development of the zone has lost momentum since the new cities to be built around Cairo have become the vogue. But the Canal Zone, like the rest of Egypt, is waiting for a real peace so that economic confidence can be built again. One consultant said: "It is an area that has had more planning in the past three years than probably any other part of the world. There is a lot of good will, five years that will cost nearly \$320m. A successful start to the programme could

Target set to triple oil production

by Roger Vielvoe

The Egyptian Government has set a target of tripling oil production by 1980. Previous objectives for increasing the country's precious oil revenues have nearly always been over-ambitious, but oilmen judge this an attainable target, given a measure of luck with the present exploration programme.

Egypt's oil industry has made great advances over the past 18 months. The return of the Sinai oilfields provided a welcome increase to national output and gave the industry a great psychological lift. Confidence has also been raised by the encouraging response from the international oil companies to the Government's offers of new exploration contracts.

As a result of the latest round of production-sharing contracts, 35 foreign series are now associated with the Egyptian General Petroleum Company (EGPC) in the search for new reserves. Between them they have acquired 200,000 square miles of territory for exploration both onshore and offshore.

American companies predominate but there are also operators from Britain, Holland, France, Canada, Germany, Spain, Japan, Brazil and Sweden. The companies have paid \$104m in bonuses to the Government on signing exploration contracts and are committed to prospecting work over the next five years that will cost nearly \$320m. A successful start to the programme could

encourage the companies to exercise options that would require the spending of nearly \$1,000m over 10 or 12 years.

The production-sharing contracts permit the operators to recover costs from any commercial discovery. EGPC will take 75 to 82.5 per cent of the remaining oil, leaving the operators with a 17.5 to 25 per cent share.

Since this successful licensing, exploration activity has increased significantly. In 1976, operators drilled 15 offshore exploration wells and another 16 on land. By the end of this year the number of wells drilled should exceed 40.

The best prospects appear to be offshore. Of the 16 wells drilled last year, five were successful while none of the onshore holes produced results. Earlier in the year there were eight rigs operating in the Gulf of Suez, and, undeterred by the predominance of dry holes in 1976, the onshore explorers had 20 drilling teams at work.

The Gulf of Suez still provides most of the country's output, and if the target of one million barrels a day is to be met, output from this area will have to rise sharply. Amoco, which in partnership with EGPC pro-

duces about 65 per cent of the country's output, is at present undertaking an expensive water injection covering an area in north-west Sinai.

In the same vicinity but closer to the western bank of the gulf is the July field, now producing 54,000 bpd from eight wells.

Of the five offshore discoveries made during 1976, all were in the Gulf of Suez and three came from Amoco. Development work had already started on the first two. Deminex, the West German state-backed exploration consortium, found oil in a wildcat well drilled about eight miles north of Ras Shukheir and confirmed the find with an even more productive second well. In the Ras Shukheir area the Transworld group who has also made a find that is predominantly gas but with some oil.

The return of the Sinai oilfields from Israeli occupation has added almost 100,000 barrels a day to the country's output. Most of this comes from the Abu Rudais area — onshore and offshore — on concessions operated by Agip from Italy and EGPC. Together they produce about 65,000 barrels a day. EGPC also controls about 33,000 bpd from a number of onshore fields farther north. Exploration

is moving ahead in Sinai. Seven new exploration contracts have been signed covering an area in north-west Sinai.

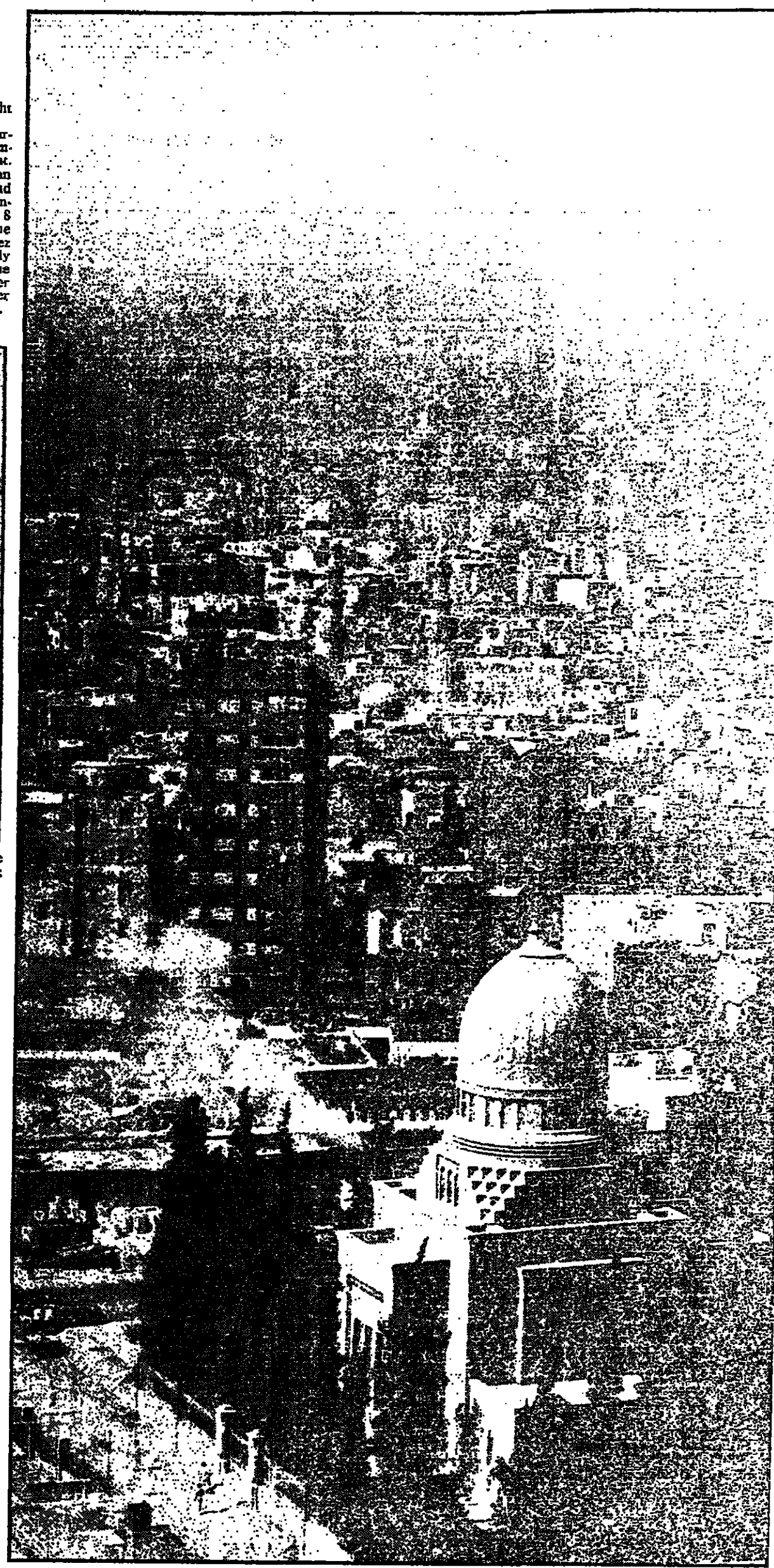
Oil is coming too from the Western Desert. Phillips Petroleum has found and developed a field under the El Alamein battlefield. It is yielding 8,000 barrels a day. Phillips is also getting 5,000 bpd from the Yidma field near by.

There has been some success in the search for oil outside the Gulf of Suez and the Sinai peninsula. A consortium of Agip, Conoco and Marathon found condensate and oil only four miles west of the canal and the Brazilian drilling team has also found gas in central Egypt.

New drilling teams have moved back into the Western Desert to work for Shell, Atlantic Richfield and the Standard Oil Company of California.

Egypt also has hopes of finding oil in the Red Sea. Phillips and Hispanoil of Spain have exploration rights on 4,632 sq miles in depths of between 1,500 ft and something over 3,000 ft. Any deposits would have to be substantial to justify commercial development in these depths.

The author is Energy Correspondent, The Times.



Harry Katt

Find made at desert battlefield

Oil is coming too from the Western Desert. Phillips Petroleum has found and developed a field under the El Alamein battlefield. It is yielding 8,000 barrels a day. Phillips is also getting 5,000 bpd from the Yidma field near by.

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THE TIMES BUSINESS NEWS



Public borrowing shortfall points to large Treasury overestimate

By David Blake
Economics Correspondent

Most public borrowing was due in the third quarter of 1977, suggesting that the outturn for the current financial year could be well below the latest official published forecast for the Public Sector Borrowing Requirement of £7,500m. The most probable figure would seem to be much nearer to the secret estimate of £5,600m made within the Treasury, but a shortfall of up to £1,000m from the published estimate seems likely, and it could be even larger.

The £7,500m PSBR in the third quarter of the calendar year, which is not seasonally adjusted, is reduced to £904m for the second quarter of the financial year if a seasonal adjustment correction is applied. It compares with a seasonally adjusted figure of £1,500m for the first quarter of financial 1977-78, which began in April.

For the first half of the financial year, that gives a total figure of £2,404m. So if the second half of the financial year is like the first, the total PSBR would be £4,808m. A number of special factors which do not get reflected in the seasonal adjustment mean that the outturn will be considerably higher than this. The cuts announced in October will not be reflected in the £7,500m increase in social security payments to be financed in the November. However, there will be a loss of £150m on petrol revenue.

After all these factors have been taken into account, however, the Treasury forecasts on which the Chancellor acted throughout this year and which were used at the end of 1976 as a basis for the International Monetary Fund are clearly shown to have been wildly in error.

Figure 1 of the current published forecast of £7,500m proves to be light, the forecast made in December 1976 would have been 3,400m too high. The near certainty that the actual figure for the PSBR during this financial

year will be substantially less than officially stated suggests that the error will have been over £4,000m.

Forecasting the PSBR is a notoriously difficult exercise, which is one reason why many economists are sceptical about giving a public borrowing target any great importance in economic management.

There are, however, specific criticisms which are sometimes made of the Treasury forecasting method which suggest that it is too complex to be reliable.

Latest indications suggest that total public borrowing this financial year will be about £2,000m less than in the fiscal year to last, April, when it totalled £3,783m. This was in turn roughly £1,800m below that in the fiscal year to April 1976.

The tightening of the Government's fiscal stance would be seen by most economists as having contributed greatly to the severity of the recession.

It is not clear, however, to what extent government tightening of its fiscal stance was caused by incorrect forecasts and to what extent the forecasts of public borrowing have been irrelevant.

PUBLIC SECTOR BORROWING REQUIREMENT

The following are figures released yesterday by the GSO for the Government borrowing requirement:

Fin	Central Gov	Local Gov	Gov requiring
1973-74	8,803	10,853	10,126
1974-75	5,844	8,763	7,354
1975-76	3,194	2,679	2,317
1976-77	1,714	2,157	1,308
1977-78	2,079	2,828	2,414
1977-78	1,488	2,121	1,150
1977-78	750	1,790	1,201
1977-78	1,540	1,885	1,968
1977-78	1,488	1,851	1,150
1977-78	108	804	562

*Central government borrowing requirement comprises the central government borrowing requirement, the local government contribution to the PSBR, plus borrowing for on-lending to public corporations and public corporations contribution to the PSBR. This definition of the Government's borrowing requirement is more comparable to that used in many other countries.

Bank figures ease money supply fears

By Ronald Pullen
Banking Correspondent

Worries about the growth of the money supply, and sharp rises in the previous two years, are likely to ease after the latest returns from the banking sector for the month of November.

Figures published today by the Bank of England and the clearing banks show that in the six weeks to November 16, eligible liabilities rose by 6.9% or 1.1 per cent, to 40,207m. This was only just over half the 2.3 per cent increase recorded in the October banking month.

While eligible liabilities are a completely reliable guide to the growth of the money supply, the definition of money supply, it is likely that the M3 rise in November will be under 1 per cent.

Even so, with the annualized rate of increase since April standing at 14.1 per cent, it still appears the Government accepts that it will take something drastic to bring the rise within the 3-13 per cent ceiling it has set.

The November figures also show that around two weeks of heavy foreign currency inflows before sterling was allowed to float at the end of last month.

Latest figures on advances and deposits from the clearing banks show that the £627m increase in bank lending in the month was a freak measure, reflecting in large measure, it is thought, borrow-

BANK FIGURES

The following are the figures for eligible liabilities and reserve assets ratios of United Kingdom Banks released by the Bank of England today:

At mid-month	Eligible liabilities	Reserve assets	Ratio
1976	37,280	26.6	13.9
Nov	37,280	12.8	13.8
1977			
Jan	36,147	5.1	14.4
Feb	34,834	23.7	13.8
March	34,977	19.1	13.9
April	35,843	3.3	14.2
May	36,924	11.9	14.0
June	36,299	15.7	14.0
July	37,094	14.6	14.0
Aug	37,695	22.5	14.5
Sept	38,806	30.8	14.5
Oct	39,712	31.4	14.5
Nov	40,207	29.6	15.1

ing to finance purchases of certificates of tax deposit.

Sterling advances by the London Clearing Bank by only £5m to £16,734m, although the seasonal adjustment leaves the increase at around £200m, much the same as the previous month. Sterling deposits of United Kingdom residents rose rather less than expected at £64m to £25,274m.

Meanwhile, the Government Broker took advantage of the improved indications for the money supply, reactivating the "tap" by lowering the price at which he would sell stock by about 5 pence.

Dealers estimated sales at £100-£150m. Gilt prices, noticeably at the long end, responded favourably with rises of up to 1/2 of a point.

Financial Editor, page 31



Sir Charles Clore: A generous benefactor

Sir Charles, the takeover pioneer, calls it a day

By Ray Maughan

Sir Charles Clore who is to resign as chairman of Sears Holdings at the end of the year will be replaced by his deputy, Mr Leonard Salner, aged 68, while Mr Geoffrey Maitland Smith, an executive director for six years, will become chief executive and deputy chairman at the age of 45.

The board has invited Sir Charles, who is 73, to become life president of the company and he will remain a director with special responsibility for Sears' overseas activities and development.

Resignation has been in Sir Charles's mind for some time and he told his boardroom colleagues of his decision just over a week ago.

His philanthropy is well known—it is estimated that he has been giving at least £500,000 annually to good causes for more than 15 years—and brought him a knighthood in 1971.

But while he has been a generous benefactor to a wide range of cultural and social causes, an active and trail-blazing investment track record must rank as his principal claim to recognition.

At the age of 22 he purchased the skating rink in Cricklewood he had used as a child and three years later he was in a position to buy the Prince of Wales Theatre.

He bought out the Richards Shops chain of women's wear stores just as the Second World War started, and his lasting love for property and industry—particularly textiles—was already clearly established.

But it was not until 1953 that he really attracted the City's attention. At the beginning of that year, his Investment Registry finance group acquired control of the quoted Sears & Co (True-Form Boot Company) and any claim he may have had to be the "father of the takeover" was enhanced by the fact that he paid about £3.4m for 75 per cent of a company with property worth £8.5m.

Other notable takeovers included Manfield & Sons and Dolcis in 1956, Mappin & Webb and Garrard in the following year, Lewis's Investment Trust (Selfridges and Lewis's group) in 1965 and the William Hill Organisation in 1971.

Property was always the fulcrum of his burgeoning empire and the 1960 merger of Sir Charles's City & Central Investment with Mr Jack Cotton's City Centre Properties formed a £65m group, in which Sir Charles's slice of the combined business was worth £10m.

His business life was not entirely without its setbacks, however. He failed where Mr Maxwell Joseph later succeeded with a bid for the Watneys brewing group and a combination of Sir Charles, Mr Cotton and Mr Bernard Delfont was outwitted by Mr Prince Little's Stoll Theatres group in the battle for Moss Empires.

Sir Charles said recently that "I enjoyed most of the earlier years of challenge but I would not turn back the pages unless I could start again with the benefit of all that I have learned."

Business Diary, page 31

Bonn intervention arrests dollar slide

From Peter Norman
Bonn, Dec 6

West Germany's government tried this evening to "talk up" the dollar after it had dropped by more than three pfennigs in nervous and at times hectic currency dealings in a market low on the Frankfurt foreign exchange market.

Dr Hans Apel, the West German finance minister, said that the movement of the dollar exchange rate against the mark was not justified by objective economic facts. Instead, he said that the dollar's sharp fall was the result of a speculative capital movement of the sort that participants at the first economic summit in Rambouillet two years ago, had diagnosed as "erratic".

Dr Apel said the Bonn government welcomed the efforts of the Federal Reserve Bank in New York to move through intervention on the foreign exchange market, and was grateful for the cooperation between the Federal Bank and other central banks, including the American Federal Reserve System.

In Brussels yesterday, Charles Helmut Schmidt also spoke in support of the American currency.

Earlier in the day the dollar had slumped to a record trading low of around DM2.1550 before being fixed at midday at DM2.1583, to show a loss of more than three pfennigs from yesterday's fixing level of DM2.1910. Dealers attributed the sudden drop of weakness to the news of the coal miners' strike in the United States.

Although the German Federal Bank did not buy dollars at today's fixing, it did intervene. Dealers thought it could have

bought around \$150m during the day compared with an estimated \$300m on Monday, when the United States currency first penetrated the DM2.20 barrier. Its efforts were partly rewarded. The intervention, and Dr Apel's statements lifted American currency to DM2.1860-70, although it slipped back somewhat in late dealings.

The rise in the value of the mark against the dollar has also created problems for the European currency snake. At the Frankfurt fixing the Federal Bank was obliged to buy 12.3m Danish crowns to support the intervention point of DM36.03 to 100 crowns. The Belgian franc was also quoted at its lower intervention point.

Dr Apel underlined in his statement that Bonn was determined to maintain the integrity of the "snake". He said the European currency fix was a factor in economic and political stability of importance to others besides those directly participating in the scheme.

But it is the decline of the dollar that is causing the West German government its biggest headache. Dr Apel pointed out that over the past two years the mark has appreciated by about 20 per cent compared with the dollar.

This rise was far more than is justified by the difference in price and cost trends in the United States and Germany.

The dollar also declined today to new lows against the Swiss franc. Last night, in the course of a speech in Bern, Dr Fritz Leutwiler, president of the Swiss National Bank, was unusually critical of the American attitude over the dollar's decline. He said that Switzerland, West Germany, and Japan could not stabilize

the dollar exchange rate on their own, and called on Washington to adopt an active intervention policy to support the dollar in agreement with the "hard currency" countries.

Caroline Atkinson writes: Sterling opened strongly in common with the other European currencies and climbed to \$1.825 against the dollar at one point. The effective rate index, measured against a basket of currencies, was also up at 63.7 in the morning, compared to 63.5 at Monday's close.

But the pound then dropped sharply as the dollar recovered. The speeches in its support by Dr Apel and Chancellor Schmidt helped to bolster the dollar as did the considerable central bank dollar purchases in Germany, Switzerland and also, it is thought, in Britain.

Reports that the International Monetary Fund that Britain will not be able to keep the growth of the money supply to within this year's 13 per cent target weakened sterling, and it lost more than 2 cents to close at \$1.822.

An estimated \$500m was bought in official intervention in Europe to prop up the dollar. Nevertheless its effective devaluation since the Smithsonian agreement widened from -3.05 to -3.32 yesterday.

Wall Street yesterday suffered its biggest decline since July, when the Dow Jones industrial average fell 14.12 points to 806.31. One factor was the dollar's fall in foreign exchange markets. Also blamed were the prolonged uncertainty over Washington policy on energy, the miners' strike, and reservations on steel pricing.

Protectionist tariffs ruled out in US prices scheme for steel

From Frank Vogl
Washington, Dec 6

The White House released its steel industry assistance programme today. The programme drew a cool reaction from American steel manufacturers and some strong protests by Congressmen from steel producing areas. It involves little direct financial assistance to ailing steel companies and its centre piece, a "reference price" system for imports, is unlikely to have a major effect on European steel exporters to this country.

The Administration has flatly rejected pleas by the industry to impose protectionist tariffs and quotas. Instead, it has introduced a system that will allow imports to be priced here at or above the level of the world's steel producers, the Japanese.

Thus European producers may be able to sell their products here below their own

manufacturing cost prices so long as their United States prices are at or above the "reference price" that will be based upon Japanese production costs.

The White House stated that its primary objective "is to assist the steel industry in a manner which will stimulate efficiency and enable the industry to compete fairly. A stronger competitive position is essential if the United States steel industry is to maintain its markets."

Mr Anthony Solomon, the Under-Secretary of the Treasury, who headed a special Administration steel industry task force, said today that he expects the "reference price" system to be in operation within about 60 days.

Discussions would start with a team of Japanese officials here tomorrow on determining the "reference prices" for assorted steel products and these prices should be announced this month with the steel industry in full comment before their implementation.

Some companies and Congressmen have charged that the British Steel Corporation has been selling steel here at prices even below those of the highly efficient Japanese steel manufacturers. If this is the case, then almost certainly the corporation will have to raise its selling prices under the newly proposed system.

By and large, however, the new system is likely to have its greatest effect on Japanese exporters who have been selling their products at below cost prices.

The extent to which foreign manufacturers have been dumping steel here is not known and Mr Solomon said he hopes the steel companies will draw their anti-dumping petitions, totalling about 19, once they see that the new system is working well.

Details of Polish ships deal likely

The Government may make a statement on the details contained in the controversial £115m shipbuilding deal with Poland.

Ministers are under growing pressure to disclose the terms and cost to the taxpayer, but until yesterday had refused to provide any detailed information on the grounds that it was commercially confidential.

But with Opposition leaders urging investigations by one of parliament's select committees, Mr Foot, Leader of the Commons, gave the first hint that ministers were considering a formal statement. Answering a question yesterday, Mr Foot said that he would look into the question of when a statement should be made on the financial arrangements.

Later Mr Michael Gwynn, MP, vice chairman of the Conservative Industry Committee, who has unsuccessfully sought an emergency inquiry into the deal, said it was vital that taxpayers be aware of the details. Sooner or later they would have to be explained, and the sooner the better.

Tomorrow officials from British Shipbuilders are expected to leave for further talks in Poland on allocation of the 24-asset fleet which has run into difficulties because of the continuing industrial dispute at Swan Hunter's yards on the Tyne. This has prevented seven 16,500-ton despatcher bulk carriers being placed with the company.

Three have already been re-allocated, but officials are hopeful that outfitting workers on Tyne will call off their overtime bar to enable the remaining four to be confirmed with the yard.

Little for Europe in Tokyo trade plans

From Peter Hazelhurst
Tokyo, Dec 6

After a heated debate today the Japanese Cabinet endorsed an eight-point economic programme which, according to the Government, aims to reduce Japan's huge trade surplus with the United States and other leading trading partners.

However, the skimpy details of the plan would seem to indicate that the Government has used tariff reductions on cars and liquor imports, Europe has little to gain from the concessions.

Indeed, sources close to the American embassy declared that the proposals are unlikely to satisfy President Carter's Administration or reduce Japan's surplus by a substantial margin.

"At first glance it would seem to be a case of too little too late", one Western diplomat said. However, we will have to wait for the final details in Washington."

Drawn up with the basic objective of placating America's protectionist lobby, the programme calls for advanced tariff cuts, expanded

import quotas, the reduction of non-tariff barriers, improved export financing facilities, the stock-piling of raw materials, and expansion of Japan's economic and the orderly marketing of exports.

The Government refused to disclose details of the final draft of the much vaunted plan today, but influential Japanese newspapers claim that the Cabinet is offering the United States tariff cuts on some 90 categories of imports, including cars, colour film, computers, processed food, whisky, brandy, wine and other manufactured goods.

GEC holders may be paid cash for aerospace stake

By Andrew Goodrick-Clarke
Financial Editor

Compensation which General Electric Company will receive from the Government for the nationalization of its share of British Aircraft Corporation may be repaid to shareholders.

Sir Kenneth Bond, deputy managing director of the group, said yesterday that the company was considering whether it should pass the compensation cash (which GEC claims should be at least £100m) to GEC shareholders using the same mechanism as it used earlier this year of issuing floating rate capital notes.

GEC and Vickers, which each owned 50 per cent of BAC, say they have been advised that at least £200m is fair compensation for the nationalization of the aircraft company which is now part of British Aerospace.

In its interim statement yesterday GEC said that no estimate of income had been included for the interest payable from the date of nationalization on the compensation when it is issued.

The Government has agreed now to a first unqualified pay-

out of compensation cash to companies whose aircraft and shipbuilding assets were nationalized in January. The remainder is still subject to negotiation.

Kenneth Owen, Technology Correspondent, writes: GEC also announced yesterday a re-orientation of its activities in the United States. Mr Geoffrey Cross, the former managing director of International Computers, is to head a new California-based GEC company to pursue new business by acquisitions and joint ventures; and Mr Ronald Grierson, a GEC director, is also to be chairman of GEC Inc, the holding subsidiary in the United States.

Mr Cross's company, which has not yet been named, will be based in San Diego. From this base, sited near some of the world's fastest expanding high-technology industries, the company said in a statement yesterday: "GEC expects to acquire the capacity to take opportunities for new initiatives in the North American markets by way of both acquisitions and joint ventures."

Financial Editor and Business Diary, page 31

EMI shares slide 30p

By Nicholas Hirst

Shares in EMI were the worst performers in the stock market yesterday, falling 30p to 183p after Sir John Read, the chairman, told the annual meeting of shareholders of the problems facing its electronic body scanner in the United States.

The market for the scanners was running at only half the level of last year as a result of measures taken by the American medical authorities to limit expenditure.

As a result the order intake was insufficient to earn satisfactory profits, and Sir John said that for the group as a whole profits were running well down on the same period last year.

Capital Industries-EMI, the group's musical business in the United States, had made less in the first quarter than in the corresponding period last year. Sir John said, while the 60 per cent owned company in Australia was facing extremely difficult conditions, it was unlikely that the fall in profit in the second half of last year would be reversed.

"The effect of these changes on the group's profits for the current year is bound to be significant," Sir John said. "In spite of higher turnover, profits were running well below the level of last year. We see some of these adverse trends continuing into 1978," he said.

Financial Editor, page 31

A scholarly look at the brain drain

It is part of the conventional wisdom of City wine bars and management conferences that the British manager is underpaid, overtaxed and, consequently, poorly motivated and demoralized. Offered a job in the United States, he would be only too keen to join the brain drain, thus further depleting Britain's stock of able people and contributing to the country's relatively weak industrial performance.

But is this myth or reality? The hard facts are scarcer than might be presumed from the confidence with which views are expressed. Past studies have not been entirely unimpeachable. This is why the new study of this subject, announced yesterday by Mr Dick Taverne, Director of the Institute of Fiscal Studies and former MP, could prove to be of some importance.

The inquiry is to be carried out by Professor Brian Reddaway, of Clare College, Cambridge, and two other economists. The inquiry is to be conducted under the supervision of a four-man steering committee, of which Professor Reddaway will be a member.

This steering committee will be headed by Mr Michael Edwards, the former chief executive of the Chloride Group who recently took over the chairmanship of British Leyland.

Mr Edwards, who is also vice-chairman of the British Institute of Management, has expressed himself forcefully in the past about the level of taxation on top salaries. However, there is an insistence among all concerned that the study is being undertaken in a true spirit of impartiality and scholarly independence.

The other members of the steering committee are Mr Aubrey Silberston, Dean of Nuffield College, Oxford, and a former member of the Monopolies Commission, and Mr Alan Lord, formerly Second Permanent Secretary at the Treasury and now Director of Planning at Dunlop.

Outlining the objectives of the study yesterday, Mr Taverne said that it would not be primarily concerned with psychological research into motivation. What they wanted to explore were the effects, if any, that low management pay and high taxes may have on the performance of companies.

Nothing should be taken for granted in this area, as Professor Reddaway pointed out. It may be that the emigration of senior managers is a wholly healthy movement, providing scope for talented people to be promoted from lower down.

It is not the first time that Professor Reddaway has probed such politically sensitive issues. It was a team led by him which in 1973—after four years of study—produced a report that broadly came out in support of the much-maligned Selective employment tax. Earlier, he had carried out a study for the CBI into overseas investment. This new inquiry is likely to take about 18 months.

Melvyn Westlake

Offices to be let in the City of London

- 1,260 sq ft approx
Austin Friars/Throgmorton Street, EC2
- 1,538 sq ft approx
Africa House, Kingsway, WC2
- 4,070 sq ft approx
Winchester House, 77 London Wall, EC2
- 9,968 sq ft approx
55-61 Moorgate, EC2
- 12,240 sq ft approx
61 Holborn Viaduct, EC1
- 18,155 sq ft approx
5-12 Norton Folgate, E1
- 31,150 sq ft approx
Bastion House, 140 London Wall, EC2

Debenham Tewson & Chinnocks

Chartered Surveyors
Bancroft House, Paternoster Square
London EC4P 4ET
01-236 1520 Telex 883749
Brussels Hamburg Bahrain Dubai
Toronto New York Sydney

How the markets moved

Rises	Falls
Upstream 5p to 75p	14p to 85p
Oil Dredging 2p to 25p	5p to 65p
Sumo & Dist 5p to 81p	8p to 35p
Southval 4p to 62p	32p to 185p
Stc 8p to 255p	5p to 273p
	5p to 155p
	5p to 113p
	8p to 305p
	4p to 100p

Notes fell back. Short-term securities went ahead. 90-day premium 96.75 per cent (last week 96.56 per cent). The 90-day bill rose to \$1,820. The sterling exchange rate index was 149.2.

Commodities: Reuters' index was at 1496.1 (previous 1495.5).

Reports pages 32 and 34

THE POUND

Bank	Bank
Australia 1.67	1.62
Austria Sch 30.00	28.00
Belgium Fr 65.50	62.50
Canada \$ 2.07	2.02
Denmark Kr 11.40	11.00
Finland Mkk 7.85	7.60
France 16.50	16.00
Germany Dm 3.17	3.05
Greece Dr 77.75	74.00
Hongkong \$ 8.85	8.40
Italy Lr 163.00	157.00
Japan Yn 465.00	440.00
Netherlands Gld 4.50	4.28
Norway Kr 10.00	9.64
Portugal Esc 78.75	74.50
Spain Ptas 155.25	152.75
Sweden Kr 9.02	8.67
Switzerland Fr 4.07	3.85
US \$ 1.58	1.43
Yugoslavia Dnr 35.50	36.00

Notes for small denomination bank notes only, as supplied yesterday by the Bank of England. Figures are in pence, unless otherwise stated.

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Christmas spending spree makes slow start

By Patricia Tisdall

All sections of the retail trade report a bad start to Christmas. The seasonal lull which many non-food retailers rely on for up to 80 per cent of their annual sales has materialized nearly a month later than usual.

With only 16 more trading days to go, retailers say that not only has it been late, but pre-Christmas spending has also been disappointingly low so far. Volume sales are likely to be below last year and turnover figures down, taking account of inflation.

Currys, the electrical goods chain, is one of a number of groups which admitted yesterday that its volume sales are below target.

The latest figures published by the John Lewis Partnership, which are used as a reliable barometer by the rest of the retail trade, show that the turnover increase of 12.8 per cent on the same week last year is below the forecast 13.3 per cent rise.

Mr Michael Sherlock, sales director of Woolworth, reported that while Christmas goods used to start moving in October, this year it had all been left to the last four weeks.

The trigger appears to be the Budget tax rebate which started appearing in weekly wage packets a fortnight ago. It seems that this is being spent on lower-priced items such as toys and decorations, rather than being used towards the price of a major household purchase.

Toys were reported by both the Argos group of catalogue showrooms and the Debenhams chain as among the best selling items. However, the demand is unlikely to benefit the manufacturers since the trade, according to one source, is only just beginning to clear a "phenomenal" over-stocking from last year.

Very little movement is seen in higher priced electrical goods. What demand there is, as for cheaper gift lines such as hairdryers and radios.

Credit purchases generally appear to be holding up better than cash transactions. Barclaycard, which dropped its interest rates last month, said the signs were of a subsequent upswing in usage, on top of gains earlier in the year.

Mail order houses are likely to be biggest losers from the late start because of dispatch delays. Some are believed to have already re-released quotas of unsold seasonal merchandise back into the wholesale pipeline.

But Mr Harold Bowman, a director of Great Universal Stores, one of the largest mail order organizations, said yesterday that the company's pre-Christmas sales figures were "entirely satisfactory". Trade remained up in volume and value on last year.

Adding to the general retail difficulties has been an apparent reduction in spend by overseas visitors.

Coal Board and miners at odds on proposals for worker participation

By Paul Routledge

Management's role in coal-mining divided a National Union of Mineworkers conference on industrial democracy in Harrogate yesterday. Pit delegates sharply criticized the running of the industry, but the National Coal Board insisted that the functions and responsibilities of management were "absolute".

Mr Cliff Shephard, the board's member for industrial relations, told the conference that union-coal board proposals for colliery policy committees would involve some genuine joint decision-making. He went on to say: "We do not believe that any complex industrial activity—perhaps least of all a colliery—can in its day-to-day operations be managed by a committee."

"The functions and responsibilities of day-to-day management—

including the onerous statutory responsibilities in our industry—are absolute."

In all the joint discussions that had taken place on industrial democracy, that had never been in question, he claimed. In the coal board's first serious presentation of the case for colliery policy committees, Mr Shephard said they would contribute to a production capacity and markets for coal. They would operate "by consensus, and not on the use of weight of representation and the power of the vote"—a clear reference to the NUM's desire to have a numerical majority on the new participation bodies.

Coalfield delegates like Mr David Bolton, vice-president of the militant Scottish miners, found fault with this formula and criticized management for offering only a show of consultation under present arrangements.

ment—rather than genuine participation.

His point was taken up by others who castigated the NCB plan as no more than the introduction of production committees designed to increase output rather than democracy. Others feared a veto by the British Association of Colliery Management, who would not give up their powers to manage.

Mr David Lea, assistant general secretary of the TUC and a member of the Bullock Inquiry that recommended extension of trade union power into the boardroom, said: "Management's role has to change. Obviously if management's job is absolutely unchanged, then everything is unchanged as well."

The conference continues today with an address by Mr Benn, Secretary of State for Energy.

Dunlop and Pirelli SpA sign Moscow pact

Moscow, Dec 6.—Dunlop Holdings and Pirelli SpA have signed two new technological cooperation agreements with the Soviet Union, Mr Dermen Gvishiani, state committee chairman for science and technology, said here today.

The agreements provide for the exchange of know-how in tyre production, technical rubber products and the manufacture of steel cord.

Pirelli and Dunlop are holding talks on the sale of radial tyre production equipment for two Soviet factories, a contract estimated at \$45m (about £25m). The companies are also discussing plans for a steel cord plant.

Ladbroke move on camp holidays

Ladbroke, the holiday and bookmaking concern in the throes of a takeover bid for Leisure and General Holdings, announced yesterday that it has expanded abroad for the first time its holiday camp activities. A French-based subsidiary, Ladbroke Travel, is to market seven seaside camping sites in Brittany and Vendée next year.

The holidays, in luxury tents or caravans, are sold inclusive of cross-Channel ferry bookings, if required. They will be promoted on the Continent as well as in the United Kingdom.

BPD frees sales of plasterboard

BPD Industries, whose monopoly of plasterboard production in the United Kingdom was investigated by the Monopolies and Mergers Commission in 1974, is to allow more main users to buy plasterboard direct on the same terms as those charged to builders' merchants. This follows an undertaking on the same terms given by BPD last year to meet a recommendation by the Commission.

Panel draws picture of US economy, 1978

From Frank Vogel Washington, Dec 6

America's rate of real growth in the gross national product during 1978 is expected to slow to 4.2 per cent from 4.8 per cent this year.

There are forecasts of modest cuts in the inflation rate, unemployment and the growth of corporate profits; but business capital spending, industrial wage levels and new housing starts are all thought likely to show modest increases.

These are the conclusions of a series of new reports and forecasts issued by the Conference Board in New York. The board's panel of 11 nationally prominent economists predicts that the slower growth expected in the United States will also be reflected abroad.

Its international expert, Mr Walter Hoadley, chief economist at the Bank of America, forecasts an increase in world trade in 1978 of 4 to 5 per cent, compared with a 1977 rate of 5 to 6 per cent.

A separate Conference Board report records that capital spending by the nation's 1,000 largest manufacturing companies reached a record, seasonally adjusted, \$177,000m in the third quarter of this year. This is an 18 per cent gain over the second quarter.

The board says data for the first nine months of this year suggest that capital spending in 1977 will be ahead by 11 to 12 per cent. Both the board's economic model and its survey of businesses indicate a 14 per cent rate of gain next year.

Such an advance, while not great in real terms, is likely to ensure that capacity bottlenecks do not emerge next year, as some economists have been predicting. This conclusion seems all the more valid in view of the modest overall rate of economic growth predicted by the board's experts.

A main worry, however, concerns manufacturing production costs. A team of eight labour relations specialists, assembled by the conference board, predicts that wage and worker benefit gains next year will rise by 8.5 per cent, compared with an advance of 7.3 per cent this year. They say that a 6 per cent rate of inflation appears to be fully accepted in new wage contracts and that manufacturing labour costs next year are likely to increase by 5.8 per cent, as wage gains continue to exceed productivity advances.

The board's panel of 11 economists forecast a slight reduction in the rate of inflation. Unemployment is seen as falling to 6.7 per cent in 1978 from an average this year of 7.1 per cent, and by the end of next year the total labour force is predicted to increase by 2.9 million to 100.1 million.

Concrete price-fixing ban

The Office of Fair Trading is to apply to the Restrictive Practices Court to prevent companies which operate concrete price agreements from becoming involved in any other restrictive practice.

Mr Gordon Borrie, OFT director general, will apply for orders under section 35 of the Act. Failure to comply would place a company in contempt of court.

It is expected that this kind of order will be directed against some of the larger companies named in previous cases whose interests extend beyond regional markets to concrete in other areas of the building supplies sector. A list of names is being prepared, and the OFT hopes that a court hearing for this and the Act. Failure to comply would place a company in contempt of court.

Imports drop to 46.7pc share of car market

By Edward Townsend

New car sales in the United Kingdom last month were down almost 11 per cent on a year earlier, and foreign manufacturers continued to capture nearly half the market.

According to preliminary figures issued yesterday by the Society of Motor Manufacturers and Traders, imports in November totalled 44,687, representing 46.7 per cent of total sales. This was the lowest import penetration since July, but foreign car sales remained more than double those of British Leyland.

Vehicle sales for the month at 95,699, brought the 11-month total to 1,265,641, a rise of 3.35 per cent on the same period of 1976. Import penetration for the 11 months averaged 45.36 per cent against 37.54 per cent a year ago.

Leyland Cars captured only 21.7 per cent of the market in November with sales of 21,040 while Ford, the market leader, sold 27,310 to win 28.54 per cent. Ford was also the leading importer, bringing in 6,313 cars from its European plants.

Department of Industry figures also released yesterday show that United Kingdom car production rose by 10 per cent last month compared with October to 114,000. Taking seasonal factors into account, production was up by 6 per cent in the three months to the end of November compared with the previous three months.

Meriden co-op repays £1m loan from GEC

By Our Industrial Staff

The £1m secured loan made by the General Electric Company to the Meriden motorcycles co-operative has now been repaid from the proceeds of sales of Triumph machines in the current year, the co-operative disclosed today.

It said the business was now "firmly launched on a new phase of development", and expected that the plan to recruit additional labour, coupled with the gradual renewal of production tooling, would result in "an increase in productivity and output to meet market demands and further improve product quality".

In a statement, the co-operative said that over the past 10 months it had been "clawing its way" back from the grave financial position it faced in February. "Now with a healthy forward order book Meriden is looking to the future with renewed confidence."

Mr John Rosamond, Meriden's chairman, said without GEC's vital contribution, the co-operative would not have survived.

LETTERS TO THE EDITOR

A new national plan needed for industry

From Mr K. Warren

Sir, Nationally we are now enjoying a mood of mild euphoria, as the British economy seems to pick up, the bank rate until recently fell, and mortgages come down. In all this we seem all too often to forget that our basic problems have not been tackled—British industry, considered overall, is grossly inefficient by the best standards of the world, ill-equipped, carried on in plants which are too small, and by methods of organization which have become outmoded. What is needed is a much longer term perspective both for the understanding and for the solution of the difficulties.

Reconstruction on the scale now needed in British industry will be massive, long-term and also needs to be coordinated. Therefore, for instance, it is vital to pursue policies for British Railways which are in some way dovetailed with those of the NCB; BSC reconstruction must take into account long term changes planned for automobile manufacture or for shipbuilding.

We also need to question whether it is wise to adopt piecemeal solutions to problems in development areas without attempting to link the sorts of industry which are guided there, and to recognize that the south-east and the Midlands cannot be regarded as inexhaustible industrial cornucopias. In the course of rationalization, short-term local and sectional interests will be hurt, but the most fundamental lesson of the past has been that if one remains preoccupied with avoiding problems in the short term, long term improvements in international competitiveness never come. Management and men would have to be retrained and mobility would need to increase. Some localities would lose their long established basic sources of employment, and established institutions would have to be more flexible.

The fundamental problem is a political one—are party governments and terms of a maximum of five years for Parliament suitable for the long term, sustained planning which can alone revivify an ailing mixed economy? This is a test for parliamentary democracy, one which it is absolutely vital for it to pass if totalitarian planning is not to seem the only way to economic success.

Removal of planning strategy to a national body, responsible to Parliament, with a long term life and special status may be essential. Whatever the form or arrangement, the vital matter is that industrial planning should be a coordinated inter-industry arrangement, operating within a national spatial framework and with a long term perspective. It is, of course, necessary to get beyond generalization, both in analysis and prescription, to specific action, and for that reason I suggest two steps.

Firstly, there should be initiative on the part of politicians to set an inter-party open debate and later detailed analysis of long term planning objectives underway. Secondly, we need a new national plan covering a long period, but with staged objectives over that period. This plan should be comprehensive and involve inter-industry coordination. Unlike the ill-fated plan of 1964, it should be spatially explicit, for it is high time that we thought in terms of regional economic complexes dovetailing into a new nationally integrated economy.

The painful adjustments will be the short term prices we pay for long term success. If we persevere we shall have proved ourselves a much more alive, responsive and responsible society than our rivals and many home critics have believed. After that there will remain one even more searching challenge—whether we use our success merely to secure more and more affluence or, in part at least, in a more responsible role in a poverty stricken world.

Yours faithfully, KENNETH WARREN, University Lecturer and Fellow of Jesus College, School of Geography, University of Oxford, Mansfield Road, Oxford OX1 3TB, November 29.

Effect of cut in tax on diesel fuel

From Mr T. J. Mathew

Sir, Dr G. H. Barker (November 24) advocates the reduction of excise tax on diesel fuel by the government as a way to encourage greater utilization of this more economic and cleaner fuel.

However, he is in error in suggesting that this will benefit the British automobile manufacturers. The United Kingdom has been almost the only country over the past 10 years where diesel fuel has not been substantially cheaper than petrol and, as a result, British car makers have discontinued the manufacture of diesel automobiles.

Conventional manufacturing in countries where diesel has historically been considerably cheaper now have an established production of diesel engine automobiles, and would therefore be at a enormous sales advantage if the British Government were now to change its policy.

It is worth mentioning that the recently introduced Ford Granada with diesel engine is manufactured in Germany, not Britain, and is fitted with a French Peugeot engine.

T. J. MATHEW, Court House, Glosershire GL6 6QU.

UK shipbuilding future at stake

From Mr R. Woodland Sir, I wish the employees of Swan Hunter would recognize that, whatever the outcome of their overtime ban, it will not affect ultimate production of the Polish order which has been won in this case, only Swan Hunter will suffer.

However, what is at stake is the whole future of the British shipbuilding industry, and any one experienced in selling British goods abroad will tell you of the opinion overseas buyers have of the reliability of deliveries from British industry.

Whatever the outcome of the particular incident it can do nothing but harm to the long term future of our ailing shipbuilding industry. R. WOODLAND, Deptford Lane, Greywell, Hampshire.

Releasing land for house building

From Mr Peter Shapcott

Sir, Mr Andrew Tait's comments on the need to provide more land for housing (November 25) are a timely reminder of the very serious problem that could be developing with regard to housing land scarcity in many parts of the country. However, he is rather cautious when he says that it is not known whether development land tax has been responsible for severe land shortages. There are certainly very strong indications of this in the North. I am sure that the disavowal of pead development land tax in preventing the release of more land is being repeated throughout the length and breadth of the country.

What makes the situation potentially even more serious is the reluctance of some local authorities to release adequate land to replenish land banks so as to maintain a rolling private housebuilding programme. Even where it is claimed that adequate land has been released, it will often be seen, on close examination, that a large proportion has been done so as a result of planning appeals over a long period of time.

Some local authorities also claim as a reason for not releasing a higher rate of land that large areas are already available. Again, close examination often shows that much of this land is neither ready or suitable for housebuilding nor is it in the places where people necessarily wish to live.

The resistance to an adequate land release programme appears to stem frequently from an ideological resistance to encouraging private ownership or to providing land for private builders. This resistance is not withstanding the clear requirement under the doctrine of Community Land Act to provide

adequate land, which was also underlined by the Government's recent Housing Review. Nevertheless, the trends are clearly in the direction of rapidly extending owner-occupation, particularly among young persons, even in areas where rented property has been the traditional approach.

Unless a more positive and progressive attitude is taken to land release in keeping with the times, there seems bound to be a real prospect of land scarcity in a number of key areas. It is elementary economics, too, that this land scarcity will be bound to increase house prices.

Yours faithfully, PETER SHAPCOTT, Director, National Federation of Building Trades Employers, 100, Northern Counties Region, Green Lane, Durham City, DH1 3JY.

RHM
RANKS HOVIS McDUGALL LIMITED

Preliminary Announcement of Annual Results

At a meeting of the Board of Ranks Hovis McDougall Limited held on 6 December 1977 the following preliminary details were approved for issue.

Final Dividend on Ordinary Shares

The Directors recommend the payment of a final dividend for the financial year ended 3 September 1977 on the Ordinary shares of 1.985p per share making, with the interim dividend, a total of 3.285p per share (last year - 2.94468p per share) representing, with the related tax credits, 4.982p per share for the year (last year - 4.53025p per share), the maximum allowed under current regulations.

The final dividend will be payable on 27 January 1978 to holders of the Ordinary shares on the register on 30 December 1977.

Results

A statement showing the profit for the financial year ended 3 September 1977 is shown opposite.

Annual Report

The Annual Report, incorporating the Chairman's Review, will be circulated on 3 January 1978.

Salient points are:

(a) Results

Group profit before taxation for the 52 weeks to 3 September 1977 is £38,458,000 compared with the profit of £39,847,000 for the 53 weeks of the previous year. External sales rose in value by £186m, to £1,107m. The reduction in profit was due mainly to the effects of continuing problems in the UK bread industry, a higher overall interest charge and to adverse results from Wessex Finance Corporation. However, increased profits from the other main trading activities made a significant contribution to Group performance, further supplemented by profits from the American acquisitions in August 1976 and February 1977.

(b) The Future

Due mainly to the losses sustained by the bakery division as a result of the national bread strike in September, Group profits for the first half of the current year will be below those for the corresponding period last year. It is not possible at this stage to make a meaningful forecast of the results for the year as a whole but, provided the adverse conditions in the bread industry do not worsen, present expectations are that Group profits overall may be close to those for last year, due principally to a significantly increased contribution from our overseas companies and a return to profit by Wessex Finance Corporation.

RHM

Consolidated profit statement for the financial year ended 3 September 1977

	1977 (52 weeks)	1976 (53 weeks)
£000	£000	£000
1. Turnover		
Total sales	1,262,000	1,084,000
Deduct: Sales within the Group for further processing	155,000	133,000
	1,107,000	951,000
2. Profit		
Group profit on trading before rationalisation costs and depreciation	63,353	62,040
Rationalisation costs	2,213	2,128
	61,140	59,912
Depreciation	14,852	12,736
	46,288	47,176
Interest paid, less received	11,553	8,672
	34,735	38,504
Investment income	306	274
Associated companies	1,418	1,089
Group profit before taxation	36,458	39,847
Taxation:		
United Kingdom corporation tax at 52%	4,993	10,202
Deduct: Double taxation relief	1,423	1,137
	3,570	9,065
Overseas taxation	4,602	3,676
Deferred taxation	10,079	7,892
Associated companies	929	702
Taxation adjustments in respect of earlier years	(430)	(550)
	18,750	20,785
Extraordinary items less taxation	(Dr) 17,708	Cr 19,062
	(1,592)	642
Minority interests	16,116	19,704
	942	888
Profit attributable to Ranks Hovis McDougall Limited	15,174	18,816
3. Appropriation of profit		
Reserve for pensions	1,000	1,000
Preference dividends	283	283
Ordinary dividends		
Interim paid 1.320p per share (1976 1.20000p)	3,593	3,263
Final proposed 1.965p per share (1976 1.74468p)	5,356	4,744
	8,949	8,007
	3,285p	
Profit retained		
The company	564	4,617
Subsidiaries	4,153	5,000
Associated companies	225	(91)
	4,942	9,526
	15,174	18,816
4. Earnings per Ordinary share of 25p	5.7p	6.2p

Based on profit (after minority interests, preference dividends and transfer to reserve for pensions, but before extraordinary items) of £15,493,000 (1976 £16,891,000) and on 272.2 million ordinary shares (1976 271.9 million) ranking for dividend.

The full Report and Accounts and Chairman's Statement will be available after 3 January 1978 on application to the Secretary, Ranks Hovis McDougall Limited, RHM Centre, PO Box 551, 152 Grosvenor Road, London SW1V 3JL.

Redfearn National Glass

PRELIMINARY ANNOUNCEMENT

Year ended 2nd October 1977

	1977	1976
£	£	£
Sales	41,199,000	34,885,000
Profit before tax	4,585,207	3,060,458
Retained Profit	3,721,343	2,035,193
Dividend per share	10.56p	3.946p
Earnings per share	73.20p	37.48p

Mr. Stanley Race, Chairman, reports:

The net profit before tax amounted to £4,585,207, compared with £3,060,000 for the previous year.

This profit, which is in line with our forecast in the bid rejection documents, represents an increase of 50% compared with 1976, which was itself a record year for the company. These results fully justify the confidence expressed in my statement last year.

The exceptionally high level of demand from the brewing and soft drinks industries for glass containers which began during the superb summer of 1976 continued throughout the first half of the year. However, the summer of 1977 proved to be disappointing in terms of weather and therefore in seasonal demand for glass containers.

We expect pressure of demand to return early next year, and in the meantime we shall build up our stocks to acceptable levels and also carry out planned furnace rebuilds.

Capital investment for the year totalled £6.4 million. The cost of rebuilding the green glass production unit at our Barnsley works together with expenditure on the first phase of the batch plant at that factory accounted for most of the total figure for new investment. Our furnace rebuilding programme continues at a high level and we are confident that the results will show through as they have in the past. We have now invested £11.5 million over the past three years on capital expenditure and plan to spend a further £8 million during 1978.

The investigation by the Monopolies Commission into the proposed bids for your company by Rheem, Rockware and United Glass will not be completed until late March 1978.

The Annual Report will be posted to shareholders on 10th January 1978 and the Annual General Meeting will be held on 8th February 1978.

REDFEARN NATIONAL GLASS, FISHERGATE, YORK, YO1 4AD.

BY THE FINANCIAL EDITOR

EMI's scanner hopes turn sour

Has EMI gone ex-growth? The promise of big profits from the most significant advance in medical diagnosis since the discovery of X-rays, the EMI body scanner which the company developed and first marketed five years ago with hopes of a great future, has run out of steam, at least temporarily. Growing competition together with restrictions on ordering of new equipment by the United States medical authorities, will continue into 1978.

Moreover consumer electronics in Australia continues to be dreadful and capital, the United States end of EMI's classic business was down in the first quarter. The effect, as the chairman, Sir John Read said yesterday is that group profits are running well below last year. This could apparently mean a decline of as much as 30 per cent in the first half, which if continued for the full year would mean profits of only £45m against £65m.

A new scenario, then, for the market, and a 14 per cent fall in the share price yesterday to 189p was the reaction. Here the yield is 7.4 per cent, more than two years below the market average. Much now rests on the real potential of the scanner. For the rest of the business currently in the doldrums the return of consumer spending growth should bring the usual turnaround, but to return to growth, the medical division must continue to prosper. Some £12m went on research and development last year. Growth for the scanner in the United States is there, but the United States market remains the key. The political problems will no doubt come to an end, but United States competition is growing and there must be a natural tendency for Americans to buy American.

Out of operating profits of £75m last year, possibly £15m came from the scanner. EMI is still confident of its long-term prospects, but no one should be too happy about the share price until there is sure evidence that current problems are being overcome.

GEC The overseas approach

GEC has underlined its North American solutions with two important appointments. Mr Ronald Grierson will head up GEC while Mr Geoffrey Cross, to whom much of the credit for ICL's revival is due, has the job of going to California to seek out "businesses which might be expected to become part of the GEC group". It seems that GEC, faced with the disinclination of the Chancellor to relax exchange control regulations which might enable it to move part of the British high pile into overseas investment and enormous potential tax problems, has shelved the idea of an overseas company in Luxembourg in favour of a more conventional approach to overseas expansion.

While a set of results which demonstrated that GEC, unlike other engineering majors, has been able to meet best outside profit targets, pushed the shares up 8p to 33p yesterday. The yield here is still just 2.1 per cent, but GEC has made it clear that it wants to do more for shareholders once controls are abandoned as they would be next year. Moreover, there is now the possibility of it repeating the floating of capital note exercise as a means of giving shareholders back the compensation lost from BAC which (according to GEC) would be £100m.

Meanwhile, the performance in the first half—sales up 14 per cent, higher profits of £1,100m, while profits, after the £4m tranche of interest on the capital, are 194 per cent higher at £145m, bears out the usual trading strengths. Sports are a substantial factor with deliveries 22 per cent up on the previous year and order book still expanding. Moreover, GEC despite sterling still reckons to be able to compete effectively against its main Spanish and German competitors whose currencies have remained strong against the dollar.

Overseas earnings though are feeling the pinch from the world trade recession and its together with mixed prospects home suggest that in the short term GEC may find it more difficult to maintain the pace. But it hopes of a durable boom next year.

high expectations from its military electronics business, overseas plans and, of course, more than £522m of cash no one should be worrying.



Standard Chartered Bank, whose chairman is Lord Barber (above), is again demonstrating that, while clearing bank profits may rise and fall, it can still keep moving steadily and healthily upwards. This year clearing bank profits will certainly be down on 1976, but Standard Chartered now has a 31 per cent first-half profit improvement to 662.5m under its belt and for the full year should add at least £20m to last year's £110m. The Middle East and Nigeria, in particular, are still surging ahead, South Africa is 16 per cent up, the Far East has done well compared to the previous depressed first-half and most of the United Kingdom operations have also continued to grow.

As an investment Standard Chartered is thus unquestionably solid, particularly since its market rating (prospective p/e ratio of just over 5 and yield of 7.1 per cent) is significantly below that of the clearers. The problem is, firstly, a political one, since although South Africa contributes only around a quarter of its profits, Standard Chartered's shares can still be badly hit by a run of adverse news. Secondly, while this year will be a bad one for the clearers, the stock market has already begun to sense that rising interest rates and increasing economic activity in the United Kingdom offer much greater potential next year than does the sluggish outlook for world trade in general which is so important to Standard Chartered. Intrinsically attractive though Standard Chartered may be at 433p, the clearers may offer the better share price prospects.

Gilts A calming influence

It looks to be too much of a coincidence that the Government Broker yesterday reactivated the Treasury 10 per cent 1992 long-gilt—bringing its price more into line with the market allowed him to sell perhaps £100-£150m worth of stock—at a time when financial markets are likely to be under the calming influence of the latest banking figures for the month to mid-November.

These show that eligible liabilities rose 14 per cent and while they are not altogether a reliable guide to the money supply growth in M3 during the period is likely to be around half that of October's 1.8 per cent.

This level may still result in the Government's 9.13 per cent range being exceeded, particularly since the authorities are apparently reluctant to introduce a corset, but it is certainly looking at this stage as though last month's hike in minimum lending rate, coupled with the decision to allow sterling to float, is doing the trick and there should now be less worry about any immediate need for a further rise in interest rates.

In short, the gilt market may yet be in for a Christmas boost which could be of most benefit to the long end. So long as the Government can get gilt sales moving again financial markets are likely to have their confidence in monetary discipline restored now that the latest clearing bank lending figures show that the £500m plus October upsurge was an aberration. Although there are still indications that the banks are inflating their balance sheets for fear of a corset, there is nothing in the figures to suggest that this is yet a necessity.

Today is an historic day. It is the first, albeit the least significant, of the several deadlines leading to the launch of the state earnings related pension scheme. Few outside the Government and pensions industry will mark the occasion—yet it is an event of great importance for everyone.

Since its tentative beginnings in 1908 with the Old Age Pensions Act, the state pension scheme has finally come of age. From April 1978, the principle that everyone (at least those in employment) should be entitled to an earnings related pension at retirement will become a fact—thanks to Richard Crossman, Sir Keith Joseph and finally, and successfully, Barbara Castle.

In a mixed economy it is inappropriate that there is no ideological insistence that it is the state, or alternatively, the employer, who must pay the benefits.

Each employer, after consultation with his employees, has had the right to determine whether to stay within the state scheme—in which case the state pays the guaranteed minimum earnings related pension (gmp)—or to contract out of it and pay the gmp through the mechanism of an occupational pension scheme.

Today is the final day when employers who have decided to stay within the state scheme should notify their employees of their choice. In practice, it is, in fact, a fairly meaningless requirement.

Even if employees, or more likely a union, took an employer to court over his failure to notify them, the case would follow the same to be a public wedding off.

Much more excitement centres on the next stage of the countdown, now December 23, which is the final day for

deciding to contract out of the state scheme without incurring financial penalties (because of higher than necessary contributions, for both the employer and his employees).

This is because the last day for applying to the Occupational Pensions Board for a contracting out certificate is March 23, by which time the employer should have had a statutory three-month consultation with the unions, which theoretically must begin on December 23 at the latest.

The last minute rush of applications to the OPEB would evoke the immediate sympathy of every housewife running late in her Christmas shopping, but given that the principles of the legislation have been known since September 1974, when the White Paper *Better Pensions* was published, isn't all this last minute haste both unseemly and unnecessary?

Where does the fault lie for this failure of the pension industry and the Government to progress towards an orderly adoption and introduction of the new state scheme? The blame, I think, has to be shared by all concerned. Even previous governments are not immune from criticism.

Margaret Stone

Earnings related pensions: end of a seventy-year journey

The oft-repeated catch phrase that pensions were a "political football" with the Crossman scheme being replaced by the Joseph scheme and that, despite the earlier protestations of a senior Labour politician, by the Castle scheme had led many to doubt that this version actually would succeed in staying on the statute book despite assertions that it would be the Conservatives.

Nor did a full-blown pay policy which prohibited improvements in pension schemes other than to bring them up to the minimum level required for contracting out an in-tray.

Certainly assumptions and calculations were being made on the basis of the relaxation of this rule in July, but scheme deeds and the other formal documentation could not proceed with certainty until phase two of the pay policy ended.

There is also little doubt that the administrators seriously underestimated the strain the new arrangements would impose upon the limited number of organizations, pension consultants, insurance companies, and law firms, the wholesalers who had to educate, advise and help their clients implement the final decision.

Then the Occupational Pensions Board was starting from scratch too and has not been able to act as quickly or as decisively as would be contracting-out companies would have wished.

Over and above all this has been financial uncertainty. It is not so difficult to recall the impact the sagging pound, ever-rising interest rates, an equity market in the doldrums and question marks over a future pay policy had on everyone's confidence. Complicated and difficult-to-grasp company pension schemes were pushed to the bottom of an in-tray.

At the end of October the Government did relent and permit some delay in respect of the technical preparation and evaluation of scheme documents sent to the OPEB. And delay upon delay, the pensions Minister, Mr Stanley Orme, last week announced the final date for contracting out was to be fixed at March 23 not March 14 as originally announced.

Although about 11,000 to 15,000 company schemes (out of some 65,000 in the country) are expected to be contracted out, only 500 have received their contracting-out certificate while another 2,300 applications to

contract out are in the pipeline. Many more will be made within the next three months and even those which fail to make the deadline will not be barred from acquiring their contracting-out certificate later.

Most of the country's top companies have contracted out and the nationalized industries too, but among the rest there seems to have been a greater enthusiasm for staying within the state scheme and living on top of it (providing an extra occupational pension on top) than was envisaged. That way the state picks up the bill for the guaranteed minimum pension and the firm provides as much extra cream as it sees fit or the Inland Revenue allows.

After the excitement and the trumpeting that is bound to accompany the actual start of the scheme, interest in pensions will probably wane for a little. But not for long: the history of pensions in the last few years has proved conclusively that it is not a static subject. Even before the new state earnings related scheme gets officially under way the experts are already looking forward to the modifications that are bound to come one day.

It is almost certain that the concept of paying contributions for 40-odd years and getting benefits based only on 20 years' service will have to be amended: a move towards a final salary type arrangement in the state scheme could be the answer.

Another candidate for change is the present basis for paying a widow's pension. This is based on her age and the actual pension her husband had earned rather than one he might have expected. Lump sum benefits, on the other hand, although recognized as a gap in the state provisions, are unlikely to be politically acceptable.

BOC puts pressure on the North American market



It would cost £100m and take 10 years for BOC to get a viable share of the US national market if it went alone —Sir Leslie Smith (above) chairman of BOC International

countries beyond the bounds of its traditional markets. While governments might like to encourage overseas companies to move in from scratch, thus improving competitiveness, the costs nowadays would be prohibitive.

The BOC chairman, Sir Leslie Smith, made the point succinctly during the Federal Trade Commission (FTC) hearings on BOC in March, 1974, when he estimated that it would cost £100m and take 10 years for BOC to get a viable share of the United States national market if it went it alone. Even then there would be no guarantee of profit.

So going in cold was something which the group was not prepared to contemplate. The only thing which has changed in the intervening years is the cost, which would now be much greater.

BOC first dipped a hesitant toe in American waters nearly a decade ago when it set up a joint venture with Airco. But the timing was unpropitious and BOC must be thankful now that its involvement with America in the late sixties was minimal. For, as the American producers were to find out, bad markets forecasting and over-optimism are a dangerous combination.

The principal American producers got too confident in the early sixties and foreseeing a continuing boom in demand for

industrial gases began to build new capacity at a rate of knots. They were, erroneously as it now appears, encouraged in this by the United States government, which massively overestimated the demand for liquid oxygen and nitrogen which the space programme would require.

By the late sixties it was clear that the United States industrial gases industry had made a big error and had far too much capacity for its own good, a judgment which was underlined by the cutback in the aerospace industry and the resulting price cutting war which ensued.

BOC's slowness in moving into the United States and the intervention of the FTC with anti-trust proceedings in 1974 when it at last decided to buy a stake in Airco—an obstacle which has now been removed—may have been no bad thing for the British company. BOC now faces a more settled United States market and has been able to learn by observation rather than participation the harsh lessons that over-optimism can bring in its train.

Percept not the least of the pleasures for BOC, if it makes its presence felt in the United States, will be the opportunity to play one of the big American groups, Air Products, at its own game. For in the late 1950s, as BOC was congratulating itself

on having tied up many of the old Commonwealth markets, Air Products moved stealthily into the British market and started fighting aggressively for a share of BOC's domestic market.

BOC-Airco combination would even up that fight a bit—on American territory. It is difficult to foresee where the next major expansion in the industrial gases industry will be. With BOC in the United States there would probably be little room there for some years yet for another entrant and other major markets, such as Continental Europe, are pretty well tied up.

This suggests that for the next few years the big producers will be looking towards consolidation of existing markets and trying to spot sustained industrial development in the emergent nations, particularly, of course, in the steel industry, with which the gases market lives in an almost symbiotic relationship.

So any further large structural changes in the industrial gases market may be a long way off. But with something in excess of £4,000m annual world turnover and a very healthy growth rate, the big league companies can probably continue to live together in harmony for some years yet without making incursions into one another's established markets.

Malcolm Brown

Business Diary: Sir Charles and after • Cockcroft's law?

Board Sainer's succession of Charles Clow as chairman of Sainsbury Holdings at the end of the year, announced yesterday, seems to put paid to the questions that Sir Monty Finton might one day take over. Sainer, Sir Charles's deputy chairman for 25 years, is 58 in his chairmanship must be considered therefore as an interim. Sir Charles is going 72.

What seems to put paid to widespread speculation that Sir Monty was being groomed for the top job is that Sainer intends "to stay around for another five years or so" and to have as chief executive and deputy chairman 45-year-old Geoffrey Maidment.

Sir Monty, who is 65, joined the group director and chairman of the engineering division of the £220m a year stores, power and engineering group for his twenty spell as chairman of the British Steel Corporation. Sir Monty, Sainer, "has quite enough on his plate as it is."

John Cockcroft, the Tory MP for Northwich, today brings 50 or so British chartered accountants to the attention of the "closed shop" for his profession as at any time the 95 years since they came to the Institute of Chartered Accountants.



Not a closed shop—just one that is less open: John Phillips (centre) with Institute of Chartered Secretaries' president John Phillips (right) and institute chief executive Barry Barker in London yesterday.

who believes that the state's role in business life is too great—is that an amended Companies Act should confine the role of company secretaries to public companies to qualified people, as is already the case with auditors.

He agrees with ICSA president John Phillips and chief executive Barry Barker that there would be fewer business standards were company secretaries—now advise directors on legal and ethical as well as administrative matters—properly qualified. It would also, incidentally, be very nice for ICSA members as well.

Phillips is adamant that the institute is not seeking a closed shop, in so far as members want the Department of Trade to include lawyers and qualified accountants on a list of approved company secretaries. Fewer than half the company

secretaries of public concerns in the Stock Exchange Yearbook, Barker said, had qualifications after their names. Some might be barristers, who did not have initials to list, but a "substantial number" of company secretaries had no qualifications at all. The Department of Trade, Phillips said, is being "negative" about the ICSA's aspirations. Civil servants are apparently uncharacteristically taking the view that there is enough law already.

For those of us who haven't yet dared to think of this Christmas, *Unigate* is piling on the agony. *Christmas 1978* is 4.9.9 12 months away. Start saving now! *Unigate* a leaflet now being left on doorsteps. Is readers ask elsewhere in this paper: "Is this a record?"

Britain's timber trade was buzzing with the news yesterday that Bill Bullock, the managing director of Schaeffman (UK), the British arm of the big Finnish paper and timber concern, had—without apparent suddenness—handed in his resignation.

Bullock, known in the trade for his often outspoken criticism of what he considers the outdated structure of the timber business, was rather reluctant to speak out the reasons for his departure. But they appear to revolve around the *Finns* problems in coping with depressed sales in the United Kingdom—particularly of panel products like plywood.

Most Finnish suppliers are having to deal with competition from cheaper products coming from places like Canada and Malaysia and Bullock believes that the *Finns* will have to face up to a changed market structure in the United Kingdom. "They will have to make plans accordingly and it is difficult to see their place in that," he told *Business Diary*.

Bullock has built up the concern to its present position as possibly the biggest Finnish-owned timber company in the United Kingdom in only five years, but there have been problems recently that he is not well up on. The parent company's half-yearly report said that the amount of business being generated by the subsidiary was barely sufficient to meet the interest payments on its investments.

Schaeffman now intends to appoint for the first time a *Fin* to manage the United Kingdom business. Bullock, who is 47, has negotiated "very generous" sever-

ance terms. He leaves at the end of the year and says that he plans to stay in the timber trade.

Those who think the Dorchester just isn't British enough now that it is owned by the Arabs have support from an unlikely quarter—the Arabs themselves.

A number of those Arabs who advised the consortium who bought the hotel on British takeover procedures were at a Dorchester lunch yesterday, and they didn't like all they saw. There was criticism of the menus being in French rather than English and suggestions that more national favourites such as steak and kidney pud should be on offer.

The lunch was in honour of Shaikh Najib Alummuddin, the retiring chairman of the Beirut-based Middle East Airlines. The Shaikh, who was educated in this country and advised on the Dorchester purchase told *Business Diary* that MEA would have bought the place itself had it not been for the civil war in the Lebanon. The war hasn't done the airline any lasting damage, he says.

Readers who were incensed when the match-makers Bryant and May took the jokes off the back of England's glory matchboxes since acquiring Moreland, the firm which made them, now chuckle again.

The jokes, temporarily replaced by a special offer for a model car will be back this month. A sample? "I've just got a new set of golf clubs for my wife." "Good heavens, what a wonderful bargain! Strike a light!"

BLACK DIAMONDS PENSIONS LIMITED

(A company wholly owned by the National Coal Board Pension Funds)

Offer for the Ordinary Shares of THE BRITISH INVESTMENT TRUST LIMITED

The Offer will close at 3 p.m. on Monday, 12th December, 1977 and cannot be extended. Ordinary Shareholders who wish to accept the Offer should therefore note that the final time for acceptance is 3 p.m. on Monday, 12th December, 1977 and are accordingly strongly urged to accept without delay.

In the event of the Offer becoming unconditional accepting Ordinary Shareholders will be entitled to receive for each of their Ordinary Shares of The British Investment Trust Limited:

a guaranteed minimum cash price of 165p

or,

if the formula value is higher on 12th December, 1977 and the Offer is declared unconditional, a higher cash amount.

165p is the highest price paid by Black Diamonds Pensions Limited for Ordinary Shares of The British Investment Trust Limited.

The market value of the Ordinary Shares of The British Investment Trust Limited on 23rd November, 1977 was 145p xd.

The Board of Black Diamonds Pensions Limited and its financial advisers, S. G. Warburg & Co. Ltd., remain firmly of the opinion that the Offer is generous and attractive, particularly so following the inclusion of the guaranteed minimum cash price of 165p per Ordinary Share. Ordinary Shareholders of The British Investment Trust Limited are urged to accept without delay.

*The day before the announcement of the guaranteed minimum cash price in the Press.

This statement has been issued by S. G. Warburg & Co. Ltd. on behalf of Black Diamonds Pensions Limited. The Board of Black Diamonds Pensions Limited has taken all reasonable care to ensure that the facts stated and opinions expressed herein are fair, accurate and all the Directors jointly and severally accept responsibility accordingly.

FINANCIAL NEWS

Better-than-expected
interims get sugar
coating from Bassett

Alison Mitchell, Bassett's managing director, produced a set of interim profits at the end of City estimates.

The 28 weeks to October pre-tax profits rose from a loss of £1.5m to £1.5m, an up by over a quarter from £50.4m.

Gordon Johnson, chairman of the confectionery manufacturer and wholesaler, admits that margins suffer slightly as a result of increased market share.

In the period, Bassett had a 1 per cent volume gain in the market compared to a 3 per cent average of around 3 per cent. And overseas, the rise was even more dramatic with up in volume terms, by 14 per cent.

However, since the year end, group has increased the volume of its products to improve margins but also slow down volume in the second half.

far second half trading figures remain to satisfy the chairman reports that group is trying to maintain rate of progress shown in first six months. This could suggest that the group is a pre-tax profit nudging 10m mark. On a share price of 11p, down 2p yesterday, assuming a maximum dividend of 10p, the group is in a strong position.

With a small cake manufacturer and a toy and model kit importer already under its umbrella the chairman admits that the group is looking for further acquisitions in related fields.

About 12 months ago it took over Purdy Cakes and although this company made a small loss in the first half of last year, it is running at a profit in the current period. Results also benefited from a small, first-time contribution from A. A. Hales, bought for £750,000 in August.

Exports in this division are still of prime importance and, for the first time, represent over half of sales output. Overseas sales have been helped by the completion, in August, of a new warehouse which is being used to store orders awaiting shipment.

Subsidiary Bib Hi-Fi Accessories is a particular export high flyer. It has now expanded into the United States and has taken a 51 per cent stake in a new company Bib Hi-Fi Accessories Inc based in Texas.

The chairman also takes the opportunity of the statement to put out at the Government for the welfare of legislation coming the way of company directors.

"It is difficult, well-nigh impossible, for directors and executives to keep abreast of so many basic changes in regulations, let alone assimilate them," he says.

Turning to the future it is very much the problems as before, he says, with inflation and a lack of long-term orders likely to affect profits in the current year.

nc, chemicals mean loss
Preussag's third quarter

result of an overall loss in the third quarter, Preussag's West German diversifying and raw materials does not expect to be able to make a dividend payout.

Preussag said that losses in the third quarter had set in the third quarter. Earnings in the first nine months, however, have not been compensated, and as a result the company does not show a profit in 1977.

The first nine months, sales totalled DM1,800m (£428.5m) down from DM1,900m (£440m) in the last year. In 1976, Preussag paid a dividend of DM50 nominal share.

Prices for zinc fell to £600 per ton, 200 per ton earlier in the year. Preussag said. As a result, the first three quarters, metals sector showed a net drop in turnover of 9 per cent from the same period in 1976.

In the oil, coal and iron sectors were also down. Transport and other sectors showed a slight pick-up in the first nine months. Investment totalled DM1,100m (£250m) down from DM1,200m (£270m) in 1976 period.—AP-Dow

nil withdraws

nil Industries of Aus-

decided not to pro-

the entire issued share

of Ensign Holdings.

announced in October

intended to bid for

the Melbourne

dry cleaning group.

bought a controlling

just over 50 per cent

through stock market

deal.

ken share issue

ken NV, Holland's lar-

gery group proposes to

new F125 nominal

for every four held

company, also making

statements for November

the of the London Clearing Banks and their banking subsidiaries

and Wales, the Channel Islands, and the Isle of Man made

member 16 are summarized in the table below:

£ millions

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MARKET REPORTS

Commodities

COPPER was steady after a morning of gains. The London market for copper was 100.00 for the month, 100.00 for the quarter, 100.00 for the half, and 100.00 for the year. The New York market for copper was 100.00 for the month, 100.00 for the quarter, 100.00 for the half, and 100.00 for the year.

SILVER was steady after a morning of gains. The London market for silver was 100.00 for the month, 100.00 for the quarter, 100.00 for the half, and 100.00 for the year. The New York market for silver was 100.00 for the month, 100.00 for the quarter, 100.00 for the half, and 100.00 for the year.

WHEAT was steady after a morning of gains. The London market for wheat was 100.00 for the month, 100.00 for the quarter, 100.00 for the half, and 100.00 for the year. The New York market for wheat was 100.00 for the month, 100.00 for the quarter, 100.00 for the half, and 100.00 for the year.

COFFEE was steady after a morning of gains. The London market for coffee was 100.00 for the month, 100.00 for the quarter, 100.00 for the half, and 100.00 for the year. The New York market for coffee was 100.00 for the month, 100.00 for the quarter, 100.00 for the half, and 100.00 for the year.

Eurobond prices (midday indicators)

US STRAIGHTS (\$)	Bid	Offer
Australia 7 1/2 1984	99 1/2	100 1/2
Australia 7 1/2 1984	99 1/2	100 1/2
Australia 7 1/2 1984	99 1/2	100 1/2
Australia 7 1/2 1984	99 1/2	100 1/2
Australia 7 1/2 1984	99 1/2	100 1/2
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Australia 7 1/2 1984	99 1/2	100 1/2
Australia 7 1/2 1984	99 1/2	100 1/2
Australia 7 1/2 1984	99 1/2	100 1/2

Recent Issues

Issue	Price
100.00	100.00
100.00	100.00
100.00	100.00
100.00	100.00
100.00	100.00
100.00	100.00
100.00	100.00
100.00	100.00
100.00	100.00
100.00	100.00

Authorized Units, Insurance & Offshore Funds

Unit	Price
100.00	100.00
100.00	100.00
100.00	100.00
100.00	100.00
100.00	100.00
100.00	100.00
100.00	100.00
100.00	100.00
100.00	100.00
100.00	100.00

Wall Street

New York, Dec. 6.—The stock market declined sharply. The Dow Jones Industrial average fell 14.12 points to 806.51. The volume traded 23.77 million shares, up from yesterday's 19.16 million.

It began with a steep decline, and except for a few short periods of relative stability, drifted down rather continuously thereafter. The Dow Jones Industrial average was down 13 points one hour before the close after a steady decline.

A number of factors were cited by analysts as contributing to the poor performance. These included a decline in foreign exchange trading, although moderated by the German Government's defence of the American currency, and a decline in foreign exchange trading, although moderated by the German Government's defence of the American currency.

Gold gains slightly

New York, Dec. 6.—Gold futures closed higher in a volatile session. The price of gold rose 1.10 to 180.10. The price of silver rose 0.10 to 10.10. The price of platinum rose 0.10 to 100.10.

The price of gold rose 1.10 to 180.10. The price of silver rose 0.10 to 10.10. The price of platinum rose 0.10 to 100.10.

Bank Base Rates

Bank	Rate
AEB Bank	7 1/2%
Barclays Bank	7 1/2%
Consolidated Credits	7 1/2%
First London Secs	7 1/2%
C. Hoare & Co.	7 1/2%
Lloyds Bank	7 1/2%
London Mercantile	7 1/2%
Midland Bank	7 1/2%
Nat Westminster	7 1/2%
Rossminster Acc's	7 1/2%
Shenley Trust	7 1/2%
TSB	7 1/2%
Williams and Glyn's	7 1/2%

The New Throgmorton Trust Ltd.

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Foreign Exchange

Country	Rate
Australia	1.48
Canada	1.25
France	6.55
Germany	2.36
Italy	1.36
Japan	163.60
Netherlands	2.20
Switzerland	1.48
UK	1.00

Discount market

The payment of the balance on the BP shares that went on sale in June made for fairly tight credit conditions on Lombard Street. The Bank of England eventually assisted the market on a large scale, buying a large amount of Treasury bills and a small number of local authority bills directly from the houses.

Money Market

Instrument	Rate
3 months	10.00%
6 months	10.00%
12 months	10.00%
18 months	10.00%
24 months	10.00%
30 months	10.00%
36 months	10.00%
42 months	10.00%
48 months	10.00%
54 months	10.00%
60 months	10.00%

Rice for Indonesia

Manila, Dec. 6.—President Marcos of the Philippines has approved a rice shipment of 10,000 tonnes to Indonesia. The shipment is to be made as soon as possible, bringing to 25,000 tonnes the total tonnage of rice shipped to Indonesia this year to help it through food shortages.

Gold

Country	Rate
Australia	1.48
Canada	1.25
France	6.55
Germany	2.36
Italy	1.36
Japan	163.60
Netherlands	2.20
Switzerland	1.48
UK	1.00

Forward Levels

Country	Rate
Australia	1.48
Canada	1.25
France	6.55
Germany	2.36
Italy	1.36
Japan	163.60
Netherlands	2.20
Switzerland	1.48
UK	1.00

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